

CANADA

HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

FOURTH SESSION—THIRTIETH PARLIAMENT

28 Elizabeth II

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COMPRISING THE PERIOD FROM THE TWENTIETH DAY OF FEBRUARY, 1979
TO THE TWENTY-SIXTH DAY OF MARCH, 1979

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HOUSE OF COMMONS

Tuesday, February 20, 1979

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

EMPLOYMENT

ALLEGED INVASION OF PRIVACY AT MANPOWER CENTRES—MOTION UNDER S.O. 43

Mr. Leonard C. Jones (Moncton): Mr. Speaker, I would like to move the following motion under Standing Order 43.

Whereas a so-called bilingual survey is being conducted in certain Canada Manpower centres across Canada, and whereas such a survey is at present being conducted at the Canada Manpower centre in Moncton whereby certain persons entering the office of the Canada Manpower centre are asked certain questions and, furthermore, among other things, telephone calls to the Manpower centre are being listened to by a so-called silent listener without notice being given to the caller, I would move, seconded by the hon. member for Brant (Mr. Blackburn):

That the Minister of Employment and Immigration cause these surveys to be halted and, in particular, the silent listener procedure on the telephone system which is a patent trespass on the privacy of individuals calling in.

Mr. Speaker: The introduction of such a motion for debate would require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

RESEARCH AND DEVELOPMENT

CALL FOR UPGRADING OF CANADIAN RESEARCH AND DEVELOPMENT—MOTION UNDER S.O. 43

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

Whereas the then minister of science and technology last June announced the government's intention to stimulate the low level of Canadian research and development with an enlightened government procurement policy, and whereas despite opposition questioning no regulations are yet in place to achieve this important purpose, I move, seconded by the hon. member for High Park-Humber Valley (Mr. Jelinek):

That the Minister of Supply and Services be directed to treat this as a matter of urgency and make a statement on motions explaining the delay on this important matter.

Mr. Speaker: Such a motion can be introduced for debate at this time only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

• (1410)

LABOUR DISPUTES

SECTOR BARGAINING—MOTION UNDER S.O. 43

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, pursuant to the provisions of Standing Order 43, I rise on a matter of urgent and pressing necessity having to do with the damaging fact that the number of man-days lost as a result of strikes and walk-outs in the first 11 months of 1978 increased by 141.3 per cent over the previous year, from 2.9 million in 1977 to over 7 million in 1978, mostly as a result of the fragmentation of union power.

Bearing in mind that as far back as February 14, 1975, the present Minister of Finance (Mr. Chrétien), then president of the treasury board, promised that a bill on sector bargaining would be brought before the House, only for us to find the Minister of Labour exactly three years later—

Some hon. Members: Order.

Mr. Jelinek: I would move, seconded by the hon. member for Huron-Middlesex (Mr. McKinley):

That the government introduce forthwith legislation requiring union groups in a single public service sector to bargain with the government on a joint basis.

Mr. Speaker: Such a motion can be introduced at this time, pursuant to Standing Order 43, only by unanimous consent. Is there unanimous consent?

Some hon. Members: No.

S.O. 43

EMPLOYMENT

EMPLOYMENT OF IMMIGRANTS UNDER OUTREACH PROJECT—MOTION UNDER S.O. 43

Mr. Andrew Brewin (Greenwood): Mr. Speaker, under the same Standing Order, I would move, seconded by the hon. member for Nickel Belt (Mr. Rodriguez):

That the Minister of Employment and Immigration (Mr. Cullen) be directed to reconsider the cutting off of Outreach project No. 21-00160, Services d'aide aux Néo-Québécois et Immigrants, in light of the fact that these services have provided placement for some 500 persons in the Montreal area, have advised recent immigrants, have been consulted by the Department of Immigration itself as well as by the Quebec department of agriculture, and have served and are equipped to deal with immigrants in 11 different languages enabling immigrants from 48 different countries to become established in Canada—

Some hon. Members: Order.

Mr. Speaker: It would appear the hon. member has now gone beyond the content of the motion and is beginning to argue the case. It seems to me the motion should have been confined to the reconsideration of the project.

Mr. Brewin: I will just finish my sentence then, which will bring the matter to an end.

Mr. Speaker: The motion can be introduced at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

HOUSE OF COMMONS

PC FUND-RAISING DINNER IN MONTREAL—PROPOSAL THAT PRICE PAID FOR TICKETS BE REFUNDED—MOTION UNDER S.O. 43

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I rise under the provisions of Standing Order 43 and seek the unanimous consent of the House to discuss a motion relating to a matter of urgent and pressing necessity.

I move, seconded by the hon. member for Drummond (Mr. Pinard):

That the price paid for tickets to the Progressive Conservative fund-raising dinner held in Montreal last Sunday be refunded to the few sponsors who bought most of the tickets and to the other guests who had their appetite curbed by the inconsistent remarks made by the Tory mini-leader.

[Mr. Speaker.]

[*English*]

RAILWAYS

FEASIBILITY OF ALASKA-BRITISH COLUMBIA-WASHINGTON STATE RAIL SYSTEM—MOTION UNDER S.O. 43

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I rise under the provisions of the same Standing Order.

In view of the fact that British Columbia continues to have a railway, the BCR, which is incomplete inasmuch as it lacks a northern connection, and in view of the fact that a rail link from Washington state to Alaska through British Columbia would represent a tremendous economic advance for all of British Columbia and provide alternate safe energy transport from the United States, I would move, seconded by the hon. member for Sault Ste. Marie (Mr. Symes):

That this House request the Minister of Transport to meet with his U.S. counterpart, transport secretary Brock Adam, to examine the feasibility of co-operative rail construction to complete the B.C. Railway for an Alaska-B.C.-Washington state rail system.

Mr. Speaker: Such a motion can be presented at this time only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1415)

ARTS AND SCIENCES

REQUEST LOTO CANADA FUNDS BE DISBURSED BY CANADA COUNCIL AND NOT BY CABINET—MOTION UNDER S.O. 43

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, under the provisions of Standing Order 43, I would like to move the following motion. In view of widespread concern among the cultural community that Loto Canada funds for the arts will be disbursed by cabinet under the provisions of Bill C-41 and not by an arm's length agency such as the Canada Council, I move, seconded by the hon. member for Brant (Mr. Blackburn):

That in order to avoid political patronage in funding artistic endeavours, this House instruct the minister to redraft the bill to ensure that the Canada Council will be responsible for disbursing these funds.

Mr. Speaker: Such a motion can be presented for debate, pursuant to Standing Order 43, only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[*Translation*]

CANADIAN UNITY

INQUIRY WHETHER LEADER OF THE OPPOSITION WILL DEFINE HIS POSITION ON RIGHTS OF FRENCH MINORITIES OUTSIDE QUEBEC—MOTION UNDER S.O. 43

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, given the fact that in a speech he made last February 18 the Leader of the Opposition strongly insisted that the rights of the English-speaking minority in Quebec be maintained in the constitution without, however, extending the same protection to the French-speaking minorities outside Quebec; given the fact that during the same meeting Newfoundland Premier Frank Moores pressed the Leader of the Opposition to act as follows, and I quote:

[*English*]

"take a very very strong stand on minority language rights whether it is in the provinces or in Quebec", I move, seconded by the hon. member for York West (Mr. Fleming):

That this House urges the Leader of the Official Opposition to make his position clear. Does he want language rights—

Some hon. Members: Hear, hear!

Some hon. Members: Order.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

SUGGESTED REVISION OF DECISION CONCERNING ABOLISHING CANADIAN COUNCIL OF RURAL DEVELOPMENT—MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, I rise under Standing Order 43 to present a motion of pressing necessity.

Since the Canadian Council of Rural Development was established in 1965 to improve the poor economic situation in many rural areas of this country; since that council made up of national and regional organizations directly concerned with development disparities in rural areas is a vital link between the people involved and the government; and since the government will put an end to the activities of that body as a result of the recent budget cuts, I move, seconded by the hon. member for Villeneuve (Mr. Caouette):

That this House direct the Minister of Regional Economic Expansion to review that decision in order that the important work the council has started be continued.

Mr. Speaker: Order. Pursuant to Standing Order 43, presentation of such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

OFFICIAL LANGUAGES

TABLING OF EIGHTH ANNUAL REPORT OF COMMISSIONER

Mr. Speaker: Order. Before proceeding with the question period, I have the honour of tabling in the House the eighth annual report of the Commissioner of Official Languages.

* * *

[*English*]

VACANCY

Mr. Speaker: I have the honour to inform the House that I have received a communication informing me that a vacancy has occurred in the representation, namely: the Hon. Ron Basford, PC, member for the electoral district of Vancouver Centre, by resignation.

Accordingly, I have addressed my warrant to the Chief Electoral Officer for the issue of a new writ of election for the said electoral district.

ORAL QUESTION PERIOD

[*English*]

PUBLIC ACCOUNTS

TREATMENT OF DEBT CHARGES IN THE ESTIMATES

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, my question is directed to the President of the Treasury Board. When making his statement following the tabling of the main estimates yesterday, the minister stated, among other things:

—the money the federal government pays out in debt charges can be considered as a form of transfer payment, since it is money being paid directly to Canadians.

Is it, therefore, the government's position that this $8.38 billion in expenditures and, indeed, debt charges in general, are really inconsequential; that they are merely transferred from one pocket to the other and may, in fact, be beneficial since they provide income to bondholders? Is that the position of the government?

Hon. Judd Buchanan (President of the Treasury Board): No, it is not, Mr. Speaker. I believe I suggested that in a sense it is a form of transfer payment since 94 per cent or 95 per cent of it goes to Canadian bondholders.

Mr. Andre: Mr. Speaker, the minister also stated in his remarks yesterday, speaking about Canada's net debt, that "it is less worrisome when viewed in the context of Canadian history" during the last quarter century. He went on to state, also, that we have a long way to go before "the size of this nation's debt" becomes "an albatross to economic development and growth".

● (1420)

Given that the debt is 22.2 per cent of the gross national product and has increased substantially in the last four years, and given the minister's comments about it not being an albatross, perhaps he could enlighten the House as to what the national debt would have to be before it becomes an albatross. How big is an albatross, and when does the national debt become a deterrent—

Mr. Speaker: Order, please. The hon. member will realize that his question is hypothetical in nature.

Mr. Andre: The minister cast a judgment, Mr. Speaker, as to the effect of our national debt and I thought it was reasonable to ask him when we need to worry.

The minister tries to paint a rosy picture of our national debt by making some comparisons between our current debt and the national debt 25 years ago during the post-war period, pointing out that since 1952 the debt has decreased. Something which the minister did not point out, but which he should have, is that since 1975 the debt has been increasing and is now four times what it was in 1975.

When does the minister feel that this trend will reverse itself so that we will have a continuation of events as they were during the post-war period, when the national debt's proportion of the GNP was on the decline?

Mr. Buchanan: Mr. Speaker, as I pointed out to the hon. member yesterday, the net national debt at the end of this year we expect will be slightly in excess of 22 per cent of our gross national product, roughly the place where it stood ten years ago. As the hon. member has indicated, it dipped below this figure in the intervening ten years and in the last three or four years has moved up again. However, that figure is substantially less. In 1962, it stood at 33 per cent, in 1952 it stood at 52 per cent, and in 1947 it stood at 110 per cent. So as a percentage of our gross national product, it is certainly not a figure that should be staggering to Canadians.

TOTAL NATIONAL DEBT

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I would like to ask the President of the Treasury Board a supplementary question on the basis of his press release of February 19. I would say that there is some more political skullduggery and cover-up involved with this matter, because on his sheet he indicated that the net debt for 1979-80 would be $64,672 million but for some strange reason the minister did not indicate what the total debt would be. It is very easy to figure this out. In my view, it comes to about $110 billion or $111 billion for the 1979-80 fiscal year.

Will the minister confirm this figure and, if not, does he have another figure? Also, why did he leave this figure out, covering-up as far as the total debt is concerned?

Hon. Judd Buchanan (President of the Treasury Board): Mr. Speaker, that is absolute nonsense.

[Mr. Andre.]

Some hon. Members: Hear, hear!

Mr. Buchanan: I made the point very clearly yesterday that it is the net national debt. It is the outstanding bonds, treasury bills and interest payments less the equities that we have in the Crown corporations, loans, investments, and so on. The hon. member has the net debt figure and I clearly described it as such.

Mr. Alexander: Mr. Speaker, it is not a lot of nonsense. I have a document here which indicates net public debt of $64 billion. What I want to know is, why did the minister not advise the Canadian people what the total gross debt would be? Those spaces are blank on this document. If the minister has the net public debt figure, surely he should have the figures which would indicate what the gross public debt would be for 1979-80. Why the cover-up?

Mr. Buchanan: Mr. Speaker, there has been absolutely no effort at cover-up at all.

Mr. Alexander: Why is it not in here?

Mr. Buchanan: I do not have the same sheets which the hon. member is waving around. My sheets show the net debt and the GNP.

Mr. Alexander: It came with your press release. It is right here.

Mr. Buchanan: That is fine. Mine show the net national debt. I clearly referred in my remarks to the net national debt. I am delighted to give the hon. member the approximate figure: from memory, it is somewhere between $100 billion and $110 billion gross.

Mr. Alexander: Mr. Speaker, I have one last supplementary to the President of the, what is it, Board of Economic Development Ministers. That is a big title. I just want to get back to the albatross. I would like to ask the boss of the President of the Treasury Board whether he agrees with his colleague when he says that we have a long way to go before the size of this nation's debt becomes an albatross to economic development. It is a simple question. Has the minister a very simple answer for that very easy question?

Hon. Robert K. Andras (President of the Board of Economic Development Ministers): Mr. Speaker, I agree with the President of the Treasury Board.

* * *

● (1425)

EMPLOYMENT

FUTURE OF OUTREACH PROJECTS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Minister of Employment and Immigration. It concerns cuts confirmed in yesterday's estimates of programs relating specifically to women's employment, includ-

ing the $23 million cut for Manpower training programs vital to many women throughout this country.

My specific area of concern is the uncertain future of some 22 Outreach projects, some of which have already been cut. The others are now under review, one of them to be reviewed later this week. Since the minister stated that all Outreach projects would be fairly and carefully assessed before their future was determined, would he not agree that any fair evaluation of these projects must include direct input from those working on the projects and some survey of those served by them?

Hon. Bud Cullen (Minister of Employment and Immigration): Mr. Speaker, I have indicated that each of the Outreach projects will be checked out. Some of them have, in fact, been continued; some at a lower rate of participation from the financial standpoint. Others were cancelled because they did not meet the criteria. Some were initiated in 1975 and they have had as much as $200,000 of taxpayers' money to get them operational.

We have to do an evaluation on an annual basis, as requested by the Auditor General. We think we are being responsible in this regrad. They have not all been cancelled. We have also indicated in our programs that we want to see that women coming into the workforce have an opportunity to play their rightful role. We have set quotas in some areas that are not traditionally occupied by women. I am happy to say that in employment programs, Canada Works and training programs, women form an even larger percentage of participation than they have in the actual workforce.

Mr. Broadbent: Mr. Speaker, all of that was interesting, and some of it was even true. I should like the minister now to answer the question. Since two of these projects which have served women very well throughout the country—the one in London has had a 30 per cent placement rate, which is better than the average for Manpower centres across the country—and considering that the review of the Ottawa project and the Toronto project did not include input from the projects themselves and did not include any survey of the clients they were servicing, will the minister assure the House that all future assessments will include input by the project people and the surveys of their clients?

Mr. Cullen: Mr. Speaker, I disagree with the hon. member. There has been a solid and honest review of each and every one of these projects to determine whether they meet the criteria. Some of them have not met the placement criteria so far as finding jobs for women is concerned or finding jobs for people who meet the particular criteria. In some of them there is an overlapping between what the program does, what the Canada employment centre is set up to do and what it does very well at the expense of the taxpayer.

We do not think a duplication of that effort best serves the needs of women. For that reason, the funding for some projects has been reduced because they are not meeting the criteria they were established to meet.

Mr. Broadbent: Mr. Speaker, one despairs of getting a direct answer to a direct question. I asked the minister if he would consider input from the project people themselves, or if they would survey their clients. He has evaded the question twice and I suspect I am not going to get an answer.

I should like to put my last question to the minister. Since the overwhelming evidence from people outside the political parties entirely has been that these projects have been remarkably successful and remarkably beneficial to women, would the minister consider giving to each of the 22 Outreach projects affecting women a three-month extension so that there will be a fair review process into which they can have direct input before they are cancelled?

Mr. Cullen: Mr. Speaker, the hon. member is already drawing on the experience we followed. Where we found particular projects were having some difficulty, we extended the time and the funding for a period of three months to enable them to adjust to the situation and possibly find other sources of funding for the portion we were withdrawing. In some instances that was necessary. Some of the projects were finished. They were not meeting the criteria and were able to wind down at a time when they anticipated they would be closed.

Last November, we commented that this kind of investigation was in progress and gave the organization adequate time. The hon. member suggests they have all been discontinued, but in fact they have not. A lot of projects are still in place and are still being funded, but they must meet the criteria and not duplicate efforts that we are performing, and performing very well, through our employment centres.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

INQUIRY AS TO ORGANIZATION TO REPLACE CANADIAN COUNCIL OF RURAL DEVELOPMENT

Mr. Eudore Allard (Rimouski): Mr. Speaker, my question is directed to the Minister of Regional Economic Expansion. In view of the recent budgetary cuts inflicted upon the Canadian Council of Rural Development, which is made up of several rural organizations and whose members are responsible for determining what problems and difficulties they have to face, especially with regard to determining the priorities of rural development in underprivileged areas, can the minister tell the House whether he has provided for replacing this service so that the population in those areas are not totally deprived of the priceless advice of that body?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, when expenditures have to be cut it is indeed always difficult to determine what programs will be cancelled or cut back without hampering too seriously the objectives sought. In fact, in August when we had to resign

ourselves to reducing expenditures and doing away with or reducing some programs, it was difficult for the Department of Regional Economic Expansion to offer several programs since in fact we have only two major ones. We decided to do away with the advisory council to the minister on development policies because over the last three years it has made a tremendous number of suggestions to us so that we probably have more work cut out for us for the next two or three years than we can possibly do in order to implement their proposals. Besides, after a good many discussions with the members of the council, I agreed that their services having really been of considerable help, it would therefore be a good idea to set up, in the very near future, a system of consultations to be put in place over coming months or in the next few years.

* * *

● (1430)

[*English*]

NATIONAL UNITY

MINISTER'S REMARKS ON NEGOTIATIONS WITH QUEBEC

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is for the Minister of Justice. It concerns an article in the current issue of *Reader's Digest* written by Ron Lebel, where the minister is quoted as saying:

> Four-fifths of the Parti Québécois program can be implemented within the federal system and the remaining fifth can be negotiated.

In order to be precise, I ask the minister specifically if the first article in the Parti Québécois program, that is, to "obtain political sovereignty for Quebec by democratic means and to propose to Canada a mutually advantageous economic association," is part of the four-fifths that the minister states can be implemented, or is it part of the one-fifth that he feels can be negotiated?

Mr. Speaker: The minister, I am sure, is anxious to answer the question. However, it seems to me that the question is not directed to him in his capacity as Minister of Justice but, rather, in some political responsibility.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The question may be for him in his capacity as a member of the House of Commons, or in his geographic capacity, but questions in the House of Commons would have to relate to his responsibility as Minister of Justice.

Miss MacDonald: Mr. Speaker, my question was asked in the context of constitutional change.

Mr. Clark: For which he is responsible.

Hon. Marc Lalonde (Minister of Justice): Mr. Speaker, I have not read the particular article. However, I can say to the hon. lady that the Minister of Justice, this government and this party have always had a consistent constitutional policy in this regard and we have not attempted to make any flip-flop like the hon lady's party.

Some hon. Members: Hear, hear!

An hon. Member: Answer the question.

Mr. Lalonde: The answer to the question is very clear, simple and categorical, that this party, this government and myself will not negotiate sovereignty association—period.

Some hon. Members: Hear, hear!

Miss MacDonald: Mr. Speaker, I have a supplementary question. Since the article was in the context of the minister stating that federalism is much more flexible than the Quebec government claims, with regard to the four-fifths and one-fifth statement that he made, could he say whether or not the proposal in the Parti Québécois platform, in its program to start proceedings immediately to accede to independence by proposing a law asking Ottawa to return to Quebec all the powers except those delegated to common organisms, is among the things the minister considers to be four-fifths implemented in the system of federalism, or is it in the one-fifth that he is prepared to negotiate?

Mr. Lalonde: Mr. Speaker, this government has stated again its position quite clearly. We have only two conditions in the renewal of the Canadian federation: one, that it be made within the federal system; two, that there be a charter of rights guaranteeing individual rights.

Some hon. Members: Hear, hear!

Mr. Lalonde: This government has no illusion, contrary to some members on the other side, that sovereignty association is some kind of renewed federalism, as the well-known hon. member from the other side has stated.

Some hon. Members: Hear, hear!

An hon. Member: Sit down.

Some hon. Members: Oh, oh!

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, I gather these fellows are clamouring to get into my fund-raising dinners. It is too bad nobody will go to theirs.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Clark: We are well acquainted with the Minister of Justice's and the government's claim that they are always misquoted when they get into trouble. The Minister of Industry, Trade and Commerce did that when he was quoted as saying that housing was a luxury according to the Liberal party.

Let me come back to the Minister of Justice. He is now saying that he did not say what he said.

Some hon. Members: Oh, oh!

Mr. Clark: Will the minister tell us what he did say and what he meant when he told a journalist, Mr. Lebel, on behalf of the Liberal party as the constitutional spokesman:

Four-fifths of the Parti Québécois program can be implemented within the federal system and the remaining fifth can be negotiated.

That is very clear. If that is not what the minister meant when he said those words, what did he mean when he said those words?

Some hon. Members: Hear, hear!

An hon. Member: We know the way you operate.

Mr. Lalonde: Mr. Speaker, I can understand the Leader of the Opposition trying to extricate himself from the problem he has created for himself with his flip-flopping.

An hon. Member: Exactly.

Some hon. Members: Hear, hear!

Mr. Lalonde: But I can assure the hon. member that on this side there has been no flip-flopping at all.

Some hon. Members: Oh, oh!

An hon. Member: No one believes you.

Some hon. Members: Oh, oh!

Mr. Lalonde: I have stated quite clearly that as far as this government is concerned, any negotiation with any provincial government has to be in the context of the federal system. We are not negotiating anything approximating sovereignty association and we have no illusions about it.

Some hon. Members: Hear, hear!

Mr. Clark: Mr. Speaker, now the minister has said definitively that there has been no flip-flopping on his side. That means that he is standing by the following statement, and I quote again from Mr. Marc Lalonde, constitutional spokesman for the Liberal government:

Four-fifths of the Parti Québécois program can be implemented within the federal system and the remaining fifth can be negotiated.

He admits he said that. Will he tell us: if it does not mean what it says, what, in the minister's judgment, does it mean?

Some hon. Members: Hear, hear!

Mr. Lalonde: Mr. Speaker, the Leader of the Opposition has not even listened to what I have said.

Some hon. Members: Oh, oh!

Mr. Lalonde: I have said that I have not read the article. But even if I had said what he said—

Some hon. Members: Oh, oh!

Mr. Lalonde: I will read the article and find out, and I suggest that the hon. member should read the whole of the article.

Mr. Baker (Grenville-Carleton): You have not read it.

Mr. Alexander: You are stuck this time, Marc.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Lalonde: There is one thing clear in this party, and that is that sovereignty association is not negotiable.

Some hon. Members: Hear, hear!

* * *

● (1440)

AIRPORTS

SAFETY FACILITIES AT VICTORIA INTERNATIONAL

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is directed to the Minister of Transport: it concerns air traffic safety.

I wonder if the minister is aware that the lives of Air Canada passengers were endangered at Victoria international airport recently when on the night of December 15-16 last a scheduled Air Canada flight landed late at that airport without the protection of the fire engine crash crew because the fire hall had not been notified of a delayed flight, as was the course of action that had been agreed upon many weeks before, and that a similar incident occurred earlier in the month, on December 2?

Hon. Otto E. Lang (Minister of Transport): No, Mr. Speaker.

Mr. Munro (Esquimalt-Saanich): Since the minister was not aware of that, he is now aware of it. Is the minister aware that there is a possibility that aircraft could still land there without the protection of the fire engine and crash service? What are his officials doing to ensure that safety is assured there as it is elsewhere?

Mr. Lang: Mr. Speaker, obviously, any matter such as this brought to the attention of my officials is reacted to by them with the necessary steps taken. I imagine this is the reason for the hon. member's question, that there was some dissatisfaction on the part of the people involved in firefighting at that particular airport because of the amount of overtime being worked. Hence, they are coming to the hon. member with a question which I would imagine was handled in a regular way. I will look into that matter, however, and make sure I am right in saying that there is no problem for the hon. member to be concerned about.

Oral Questions

AIR TRANSPORT

ALLEGED DISCRIMINATION AGAINST FRENCH-SPEAKING STUDENTS AT AIR CONTROLLERS' TRAINING INSTITUTE, CORNWALL

Mr. Ed. Lumley (Stormont-Dundas): Mr. Speaker, my question is for the Minister of Transport. On Thursday, February 8, the Minister of Transport, in reply to a question from the hon. member for Joliette, indicated that French-speaking students attending the Transport Canada training institute in Cornwall had suffered discrimination. This response, unfortunately, reflected on the integrity and competence of the staff of the institute.

In view of the report made public today by the minister's very competent parliamentary secretary, which indicated no evidence of discrimination, would the minister clarify the situation?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I am very glad to have the opportunity to do so. I did not say that there has been discrimination, but in referring to the fact that certain problems had been corrected I did, unfortunately, use the word "discrimination" in terms of the things which did not at this time exist. I certainly apologize for the implication that it carried or that was put into it by the news media as a positive statement of there having been discrimination, which there was not.

I join the hon. member in recognizing the work of the hon. member for Charlevoix who looked into this matter and confirmed there has been no discrimination. He made certain recommendations upon which I have acted. I hope this will bring about a better atmosphere for the students involved, as well as for the institution as a whole.

* * *

HEALTH AND WELFARE

ASSIGNMENT OF CHILD TAX CREDIT TO WINNIPEG HOUSING AUTHORITY TO MEET ARREARS IN RENT

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have a question for the Minister of National Health and Welfare. It is based on the fact that the Winnipeg Housing Authority, which operates, I believe, under direction of the provincial government, has sent written notice to tenants in public housing who are in arrears in their rent that the authority has learned from the income tax department about the child tax credit that is to be received this spring, that it is a windfall and therefore they are being summoned into the office of the Winnipeg Housing Authority, told to bring certain documents and to be prepared to make an assignment of that money to the authority.

In view of the fact that we understood that this money was to go to the mothers of Canada and was not to be assignable, is there not something the minister can do to stop this nefarious practice?

[Mr. Lang.]

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, I read the letter sent by the Winnipeg Housing Authority signed by a Mr. Malley, whom I would demote immediately if I had the power to do so—

Some hon. Members: Hear, hear!

Miss Bégin: —blackmailing the tenants, threatening to throw them into the street if they did not assign their child tax credit to pay rents or arrears. My colleague, the Minister of National Revenue, is looking into the legality of this action. At first glance, it seems absolutely illegal to ask for power of attorney from mothers without reimbursing them at least 85 per cent of the cheques because these people think of themselves as tax discounters. We are looking into that and I will report to the House as soon as we have the answer.

One thing is sure: if a department store or a large business was doing that, the Conservative opposition would call those people jackals. I will be very curious to see if the Conservative members from Manitoba are going to state loud and clear their opposition to that policy which, of course, is against the people. I want to say to mothers that they have the right to refuse the appointment which is forced upon them and to refuse to bring their income tax returns and receipts to the Winnipeg Housing Authority.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, in view of the fact that in some other provinces other bodies are also doing things that seem to deny to mothers the full benefit of the child tax credit, is the minister taking steps to make sure that mothers right across Canada get the full benefit of this child tax credit?

Miss Bégin: Mr. Speaker, I have personally supervised the program and the publicity. We have television clips scheduled to be shown all over Canada right now, asking mothers to apply for that program. It is not an automatic program such as the family allowance. Mothers have to file an application. I think all community groups in the country are now aware of the program and have received small funds for their expenditures in having neighbours helping to fill out the forms in order to get the money.

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AIRPORTS

NAVIGATIONAL AIDS AND FIREFIGHTING EQUIPMENT FOR CASTLEGAR, B.C.

Mr. Bob Brisco (Kootenay West): Mr. Speaker, my question is for the Minister of Transport. Now that the Minister of Transport has foisted upon the residents of Castlegar and the users of that airport a third party contract arrangement which is singularly unpopular, is he now prepared to make a forward step in the provision of immediately needed navigational aids and firefighting equipment?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I am surprised to hear the hon. member refer to the contract as one that displeases anyone. I thought there was general favour for the fact that we entered into insurance contracts for the smaller airports across this country when it was beyond their means to enter into satisfactory contracts of insurance one by one by themselves.

Obviously, the issue of equipment is one we have constantly under review. As we have funds available, equipment is bought and appropriate equipment is moved according to the traffic patterns of air travel in this country.

Mr. Brisco: In light of the fact the existing radio navigational aid is so old that spare parts are obtained from the Smithsonian Institute and in light of the fact that Castlegar is acknowledged by pilots to be one of the most hazardous airports in Canada in terms of the final and immediate approaches, will the minister now consider implementation of a program to put VOR into Castlegar?

Mr. Lang: Mr. Speaker, every airport without an ILS or VOR wants one. There is simply not enough money to meet all these requests and to do these nice things all over the country at once. We look carefully at the priorities in terms of the numbers of flights and such things as the conditions, including any special geographical characteristics. It is on that basis that decisions are made about where the necessary equipment will be placed.

* * *

INDUSTRY

AVAILABILITY OF STEEL TO CONTRACTORS IN WESTERN CANADA

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question affects three ministers, Industry, Trade and Commerce, National Revenue, and Finance, and anyone can answer.

Mr. MacKay: I doubt it.

Mr. Lambert (Edmonton West): With regard to the Anti-Dumping Tribunal's binding imposition of a special duty on steel shapes, I-beams, and so forth, will the minister concerned explain to the steel constructors and contractors in western Canada why they cannot get steel?

● (1450)

Canadian suppliers who are supposed to be protected are not even interested in supplying steel or selling their steel abroad because of the devalued dollar. What are western Canadian constructors going to do? Can we not get some relief when we need the steel?

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): Mr. Speaker, western contractors can buy steel. The problem is that they cannot buy steel in Canada at dump prices which are injurious to our industry. That is the difficulty. Perhaps the hon. member wants to ask the government to disallow the ruling of the Anti-Dumping Tribunal, but I am sure there might be a time or two when such rulings might be injurious to Alberta or western Canada with regard to other products.

Mr. Lambert (Edmonton West): Mr. Speaker, if the minister will accept an increase of 40 per cent in the price of steel, and if he will agree that steel from Canadian suppliers is not obtainable, the question of dumping is absolutely academic. If the government was able to make an exception for British Columbia for part of the time, why is it not able now to recognize that the ruling has no relevance to the market at the present time?

Mr. Horner: Mr. Speaker, what the government did at that time was to allow contractors to put in their bids. They bid on construction projects. The government served notice that the findings of the Anti-Dumping Tribunal were in fact injurious to Canadian industry. If my memory serves me correctly, we gave the industry 90 days' notice, and steel can still be bought from Japan, South Korea, the United States or from Canadian mills. However, steel cannot be bought at what is considered dumping prices.

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FISHERIES

NEGOTIATIONS RESPECTING ALASKA COAST HALIBUT FISHERY

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, what the government actually did was discourage foreign suppliers from selling to Canada, and now we cannot buy the stuff any more.

My question is to the Minister of Fisheries and the Environment. What is the status of negotiations relative to halibut fishing off the Alaska coast?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, I will be meeting with the Secretary of State for External Affairs, and I will be briefed by those who attended the negotiations this afternoon at 3.30. Until then, I should not venture public comment.

Mr. Friesen: Mr. Speaker the fishermen in that area are very concerned that their privileges will be exchanged for rights granted in eastern waters.

An hon. Member: Bull!

Mr. Friesen: They have registered their protest with the minister with respect to this matter. Reports are that they will be excluded from American waters and that they will have to go to Canadian waters which are already overfished. Are these reports correct? There are 140 licensed trawlers in Canadian waters fishing for groundfish. Added to that are 40 to 60 vessels which are presently fishing for halibut. What contin-

gency plan does the minister have to help those fishermen who will be dislocated?

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, first of all, I would like to deny flatly that there was any trade-off between one coast and the other. Second, we have indicated to fishermen all along that if there was to be a dislocation, and if we could not successfully negotiate the prolonged presence of Canadians off the coast of Alaska, then we would consider a program of relocation. The hon. member should certainly be familiar with that. If he is not, he should be.

* * *

NORTHERN PIPELINES

ALASKA HIGHWAY PROJECT—DELAYS IN CONSTRUCTION

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Secretary of State for External Affairs. In view of statements by John McMillian of the Northwest Alaskan Pipeline Company that the Alaska Highway pipeline will be delayed up to a year due to regulatory delays in the United States, does the government plan to make a formal protest regarding these delays to the United States administration, considering that we have a treaty with them, and will the government be asking the United States to legislate deadlines for their regulatory procedures such as was used for the Alyeska pipeline, so that there will be no further delays in the planned completion date for this important project to Canada?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I had discussions a week ago Saturday with Secretary of State Vance on this particular question. I think I can say without qualification that the problem does not lie with the United States Administration. Mr. Vance made it very clear that the administration is very anxious to proceed as rapidly as possible with the pipeline.

I did not put specific inquiries to him as to what actions might be possible for the administration to take, but he did assure me that it was moving as rapidly as it could with the various interests in the United States to eliminate any roadblocks which might presently exist.

I want to emphasize once again that there is no difficulty with the United States Administration. It remains as committed to this project as it was when the Prime Minister and the President announced it some time ago.

* * *

SHIPPING

USE OF MARITIME POLLUTION CLAIMS FUND

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a brief question for the Minister of Transport. I believe the minister is aware of the maritime pollution claims fund which was established by, I believe, his seatmate several years ago. I believe the target at that time was to establish a fund of about $25 million made up from levies on oil moved by sea.

I wonder if the minister can confirm that there is approximately twice the amount of the target amount in that fund, nearly $50 million and, if so, does he propose to use the interest or any of the funds available for some other useful purpose since, fortunately, claims made against the fund have been practically negligible?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, we reviewed the growth of the fund and, as it crossed approximately the $40 million figure, we did terminate the charges which were accumulating toward the fund. As the hon. member says, interest is now accumulating and only a small portion has been used for the actual pollution claims purpose. We are examining the question of possible uses of the interest from this fund for other purposes in connection with the broad objective of controlling pollution and clearing the atmosphere.

However, I am advised that a change in the legislation would be required to accomplish this, and I intend to bring that legislation forward in due course.

Mr. MacKay: Is the minister considering using some of the surplus funds for research into oil emulsification and things of that nature? Would he consider that kind of use for the surplus funds?

Mr. Lang: Yes, Mr. Speaker, either for equipment and, therefore, facilities to deal with pollution problems as they arise or for research and development of that kind of equipment.

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GRAIN

REASON FOR SLOW SHIPMENT FROM WEST COAST—PURCHASE OF HOPPER CARS

Mr. Arnold Malone (Battle River): Mr. Speaker, I would like to put a question to the Minister of Transport. What earthly reason is there for the fact that we are now behind 400,000 tons of shipments of grain on the west coast, and what is the minister doing about it?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I do not know what the hon. member means by being behind by that amount. It has been a very difficult shipping season on the west coast, for a number of reasons. Terminals have been unloading at a much lower rate than satisfactory. That is due to a combination of factors. Some new terminals are coming on stream. There have been labour difficulties regarding refusal to work overtime.

On February 13, Canadian National suffered a serious problem with a line. On, I believe, February 15, the CP had a problem with regard to a bridge. Both these problems were experienced in the Fraser Canyon. These problems have caused a disappearance of cars available for unloading. How-

ever, both problems have been solved and we will be trying again to move grain as rapidly as possible.

Mr. Malone: Mr. Speaker, the source of the number I quoted was a press article regarding a statement by a man by the name of Otto Lang.

Yesterday, the Minister of Industry, Trade and Commerce made reference to the Bible. I would like now to get an answer from the New Testament. Why are we purchasing, with farmers' money, new hopper cars when after the first 21 weeks of the crop year there are on CN and CP lines a daily average of 1,235 cars waiting to be unloaded, and when the rate of unloading at the port of Vancouver is 442 cars? Why are we buying new cars with farmers' money when we cannot unload even a third of the number of cars waiting?

Mr. Lang: Mr. Speaker, as I indicated in my opening remarks in answer to the first question, I feel that the hon. member is misquoting. The figure the hon. member mentioned has nothing to do with Vancouver. If I spoke about 400,000 tons, that was a reference to how far we are behind in our exports this year compared with last year, which is quite a different matter. It has nothing to do with the question the hon. member is asking. The next time he reads about statements by Otto Lang, let him get an official interpretation.

An hon. Member: We need one.

Mr. Lang: The point the hon. member misses is that the hopper cars being ordered are being ordered for the latter part of 1979 and 1980, and the fact that the terminals have been having difficulties this year, and therefore there have been cars available with loads, does not diminish the clear requirement for the additional cars. We are paying good money for repairs and for additional cars which the Canadian Wheat Board has decided should be purchased.

● (1500)

Mr. Speaker, I am optimistic that as the years go by we will have to move much more grain, and by 1985 we are looking at the movement of 30 million tonnes of grain to export, 50 per cent higher than current records.

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NATIONAL REVENUE

SALES TAX ON STORM WINDOWS AND DOORS

Mr. Jack Hare (St. Boniface): Mr. Speaker, my question is for the Minister of National Revenue and it has to do with energy conservation in the home. It relates to the government's decision to reimpose the federal sales tax on storm windows and doors in the November budget.

In a letter to my office, the minister stated that the tax exemption had been removed for storm windows and doors, including double and triple-glass windows, because glass is less efficient in energy conservation than solid wall construction.

Some hon. Members: Oh, oh!

Mr. Hare: I should like to ask the minister to explain this rationale. Does he wish to suggest that homes in cold climates should have no windows or, rather, is he worried that people will take advantage of this tax exemption to build glass houses?

Hon. A. C. Abbott (Minister of National Revenue and Minister of State (Small Business)): Mr. Speaker, I think I had better look at that letter again.

Some hon. Members: Oh, oh!

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ARTS AND SCIENCES

DISBURSEMENT OF LOTO CANADA FUNDS

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, my question is for the Secretary of State. Under the provisions of Bill C-41, cabinet, and not an independent agency such as the Canada Council, will be responsible for disbursing Loto Canada funds for the arts.

In view of the concern expressed by the cultural community about keeping these grants free from political influence, will the minister commit the government to amend the bill to allow independent agencies such as the Canada Council to disburse these funds?

Hon. John Roberts (Secretary of State): No, Mr. Speaker, under the legislation the disbursement of Loto Canada funds is not the responsibility of cabinet but is in the hands of the Secretary of State. I think it would be extremely undesirable to place it in the hands of an agency such as Canada Council, for then there might be a danger that these funds would become absorbed in the ordinary operating expenditures of these agencies, and it is my purpose to ensure that these funds are kept apart to ensure that the operating funds are supplemented but that these funds are kept for their special purpose.

Mr. Symes: Mr. Speaker, that is an incredible answer, given the kind of cutbacks this government has imposed upon the cultural community. I should like to ask the minister the following question. Given the lack of adequate funding for the arts over the past few years, and the announced cutback of several million dollars in grants for arts and culture for 1979-80, can the minister assure the House that the new revenues gained from Loto Canada will be treated for what they are, additional revenues for the arts community, and that he will maintain ongoing funding under the regular formula to which we are accustomed? To argue otherwise is to argue how ineffective the minister is in cabinet in speaking up for grants for the arts.

Mr. Roberts: Mr. Speaker, if the hon. member wants to get into the details of the expenditure allocations, it would take a long time to do so, but I would be able to show him that his statement is not an accurate one. I do not think I can usefully add much more to my previous answer to the hon. member.

Oral Questions

ADMINISTRATION OF JUSTICE

AUTHORIZED WIRETAPS AND NUMBER OF CONVICTIONS OBTAINED

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to put a question to the Solicitor General. I put the same question last year on the last wiretapping report of the Solicitor General of Canada.

Last year—that is, in 1978—there were 3,427 authorized wiretaps; that is, wiretaps authorized by judges. Of those, only 897 persons were arrested and there were four convictions. We hear a lot these days about the charter of rights and the constitution. Proportionately the same figures applied last year. Will the minister now reconsider the Liberal government's position and amend the Code because of what I would call abuse of the process of law?

Hon. J.-J. Blais (Solicitor General): If the hon. gentleman would look at the report, he would see that the number of people arrested in terms of the 1975 authorizations increased as the years went by. In terms of the 1975 authorizations, 407 people were named in the authorizations, and the hon. member will see that in 1978, with reference to 1975, 1,557 people were subjected to arrest. In terms of criminal proceedings, the hon. member will see that there were 968 convictions, in total, with reference to 1975.

As I am sure the hon. member understands very well, the reason for that is that as we obtain authorizations we conduct the investigations and subsequently arrests are made, following which it takes some time before the cases proceed through the individual tribunals. We had to wait right up until 1978 to get the total figures for 1975.

Mr. Woolliams: Mr. Speaker, so that we can get away from the minister's verbosity with reference to the matter, let me point out that we had the same answer last year. Last year, there were only 13 convictions and a similar number of arrests, as the minister pointed out. Under this act, people are being arrested and their civil rights usurped. As I said, there were four convictions out of 3,427 wiretaps, and the figures were similar for last year.

The minister keeps talking about the catch-up. I wonder when we are going to catch up. We are putting people in jail, but as a result of this evidence we are getting no convictions; that is my point.

Mr. Blais: Mr. Speaker, I would be very pleased if the hon. gentleman would review the report again.

Mr. Woolliams: I have read it.

Mr. Blais: He would see that in 1975 we had 562 authorizations, and as of today there are 968 convictions. In 1976, we had 613 authorizations, and as of today we have achieved 790 convictions. In 1977, we had 615 authorizations, and as of today we have 495 convictions. Of course, as we look at the 1977 and 1976 figures, there are still cases before the courts and there have been no convictions on those cases. But when we look at the total number of authorizations we see that the total number of convictions exceeds the authorizations.

I would also like to point out to the hon. gentleman that in terms of wiretap installations, there has been a decrease in the number from 1977 to 1978. In 1977, there were 1,429 installations, and in 1978 there were 1,386.

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PRIVILEGE

MR. McKENZIE—AIR SAFETY REGULATIONS—STATEMENT OF MINISTER OF TRANSPORT

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I have given you notice of my question of privilege and now I should like to explain why I am presenting it 20 days late. I have obtained evidence this past weekend and yesterday giving grounds for my question of privilege.

On February 8, the hon. member for Vegreville (Mr. Mazankowski) questioned the minister on the tabling of a document on air safety regulations. He asked:

> Can we expect this report to be made public—?

The Minister of Transport (Mr. Lang) stated:

> Our tradition in a very open department is to . . . place reports of this sort in our library, where they are indexed and available to the public, even if we do not feel they are necessarily of the sort that deserve to be printed. I say "a very open department", noting the "the raspberries" from the other side, because they may not know that we have thousands and thousands of documents available in the library.

I am interested in a particular air crash which took place last March in Saskatoon, so I contacted the minister's department and his officials provided me with a one page report on this accident which took place in Saskatoon in March of 1978. I made further inquiries on my own and I found out that there are 20 pages missing from this report. That means the minister does not operate an open department and members of parliament cannot contact his department and his library. What he said is not true.

I have obtained a transcript of the coroner's inquest into this accident. The inquest was started in June of 1978. It had to be postponed for three months. Then it continued in September of 1978. The minister would not provide the proper documentation with regard to this crash. This insistent coroner was finally able to get from the minister an additional 20 pages so he could continue with his inquest into these tragic deaths. I would like to quote briefly from the transcript of the coroner's inquest as follows:

> Gentlemen of the jury, you will remember that at our last meeting we adjourned the inquest because we lacked certain evidence which was in the form of a report which has been forwarded by the investigator who investigated this accident on behalf of the Department of Transport, and during the subsequent weeks we have been busy with negotiations with the department in an attempt to obtain this report. We only recently received it and now we are going to continue with this inquest.

Throughout the second section of this inquiry into the accident, the coroner makes some of the most damaging statements against the Minister of Transport and his depart-

ment for not providing information with regard to air crashes. Finally the minister's office came up with the additional 20 pages. This is further evidence as to why we should proceed with Bill C-40 at this time when we have statements such as this one.

I discussed this accident with the widow of one of the victims last Sunday and she informed me—

Mr. Speaker: Order, please. I think the hon. member, being on a procedural point, should stick to the merits of the question of privilege.

Mr. McKenzie: Yes, Mr. Speaker. Even the widow could not receive the full report. So I would like to ask the minister, through you, Mr. Speaker, either to withdraw his remarks that this documentation is available through making inquiries to his department—because in fact it is not available; this one page document he gave me is not complete as there are 20 other pages to be attached to it to have the full report—or explain why he cannot provide us with the full documentation when we phone his department with regard to accidents. As I have said, this is further evidence why Bill C-40 should be proceeded with immediately.

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I would like to speak on this question of privilege in support of my colleague, the hon. member for Winnipeg South Centre (Mr. McKenzie), arising out of the same answer that the minister gave on February 8, as reported at pages 3013 and 3014 of *Hansard*.

● (1510)

The minister in his answer indicated that his department was a very open one and that reports of the kind to which we referred during the question period, reports emanating from the Ministry of Transport having to do with air safety, were placed in the library and were available to the public. My question arose from the fact that back in December of 1977 I asked the Minister of Transport whether he would make available to the House the northern Ontario aviation safety report undertaken by Messrs. Carswell and Slaughter. At that time the minister said he would look into the matter and determine whether it could be made public. The other day the minister gave us to understand by his answer that the department was an open one, that this information was there, that it had been indexed and placed in the library and that it was available to all members who desired to obtain it.

After that exchange had taken place I contacted the library and asked for the full report. I was told the full report was not available in the library either on paper or on film. A copy of an abridged version together with a press release the minister had issued was the only material available to me. Thus, when the minister suggests that his department is open and that reports of this nature are made public, when he suggests that all members have to do is contact the library and obtain copies of the reports they desire, his statements are not in accordance with the facts. If he is not misleading the House he is treading close to doing so, and I suggest the matter be either clarified by the minister or taken under Your Honour's advisement.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the hon. members who have spoken, particularly the hon. member for Winnipeg South Centre (Mr. McKenzie), have carried on their usual tactic of trying to introduce all kinds of extraneous matters by way of debate under the guise of a question of privilege, thereby taking up valuable time which would otherwise be available to the House. Of course, they are never likely to let legislation move along easily in this House so they raise these questions time and time again. I presume they had to give Your Honour notice of a question of privilege. I am a little surprised that in this case they did not have the courtesy to give me notice too, so that I could be sure of being here. I was almost out of the chamber before they raised the matter, again an example of the way in which they like to proceed.

The fact is that if you look at my response you will see I was not saying that that particular report would be made available. I was not dealing with that issue; it is one which still has to be reflected upon by me. There are certain things of a confidential nature which come before the ministry of transport and which cannot be made public. I refer particularly in this context to transcriptions of recordings of conversations between pilots and controllers.

There is a bill presently before the House on first reading which has in it a potential for public access to material of this sort, private conversations between controllers and pilots, and I have already indicated—I say this again because I know there will be some concern on the part of pilots and controllers—that I intend to be very open during the committee stage to hear their view as to what additional control ought to be placed upon those matters; their right to privacy demands that there be some protection against too wide open access to material of this kind. There are other matters of a confidential nature which come before government; nearly everyone recognizes that they must remain confidential. That is done. Our objective within that department has been to keep this material within as narrow limits as possible.

I discovered that one of the reasons a number of things were not made public was because they were not of such a nature that anyone wanted to expend the money on printing and publishing them, or, indeed, translating them so that they would be available to all Canadians. In respect to those cases I devised a system a few years ago which now obviously embarrasses hon. members opposite who are presently supposed to have a responsibility in transport; they do not realize they have access to this material. We devised a system of making available documents in our library under which people who wanted copies could obtain them at a charge. Literally every document which did not have some specific, traditional and well accepted reason for being kept confidential is indexed and made available in that library. I do not know the precise number—30,000 or 40,000 documents I think it is—but I will check that figure so that the hon. member does not raise a further question of privilege based on whether I said 30,000

when I really should have said 28,000 or 38,000; he quibbles about matters of this sort.

The fact is that we are open as a department and matters of very great breadth are available to hon. members. The discomfort of hon. members opposite arises because, while they purport to be transport critics, they obviously did not know, over the years, that this material was there.

Mr. Speaker: Order. By defending his answer, referring to it again and indicating that he stands by it, the minister, of course, takes this out of the area of procedure and leads it into an area of disagreement where it remains at this time. I have to set this matter aside as a question of privilege.

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POINT OF ORDER

MR. McGRATH—DENIAL OF MISREPRESENTATION OF STATEMENT OF MINISTER OF CONSUMER AND CORPORATE AFFAIRS

Mr. James A. McGrath (St. John's East): Mr. Speaker, I did not raise this matter yesterday because the Minister of Consumer and Corporate Affairs (Mr. Allmand) had left the House. In any event I wanted to check the record. What the hon. gentleman said yesterday did not constitute grounds for raising a question of privilege because it was not unparliamentary. Nevertheless, it was a serious charge. I regret the minister is not in his place this afternoon.

In reply to my question, which can be found reported at page 3345 of *Hansard,* the Minister of Consumer and Corporate Affairs said this:

> I never said food prices would go up by 14 per cent in a few months; I said the increase would be from 12 per cent to 14 per cent, year over year, in the next few months and 9 per cent to 10 per cent for the total year at the end of the year. That is a very gross misrepresentation, which is not unusual for the hon. member.

As I say, I consider that to be a serious charge. "Gross misrepresentation" may not give rise to a question of privilege but it does imply disorder, as I think Your Honour will agree. I checked out my source for making the statement I did in my question to the minister and I found it in the speech the minister made to the Consumers' Association of Manitoba last week. This is on page 12 of the speech:

> I consider, however, that much of the improvement will not come until the latter part of the year and for the next few months we can, unfortunately, expect to see increases in food prices of between 12 and 14 per cent.

● (1520)

That is the end of the quotation, Mr. Speaker. Obviously I did not misrepresent what the minister had said. It was not a misrepresentation or a gross misrepresentation. I am sorry the minister is not here because I know he is a fair person and would want to correct the record if he was present.

Mr. Speaker: Order, please. Obviously the matter should now be left for the minister to direct his attention to the intervention by the hon. member for St. John's East (Mr. McGrath). I am sure he will do that and will indicate whether he wishes to dispute it further.

[Mr. Lang.]

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, if I might speak briefly in respect of the taking of my question of privilege under advisement—

An hon. Member: No, it is finished.

Mr. Speaker: The hon. Minister of Transport (Mr. Lang) has defended his answer in the House today which takes this matter out of the realm of privilege and places it in the position of a matter of disagreement. Once a minister stands in his place and says he stands by his answer, although the hon. member obviously disagrees, he has defended his answer and is saying to the House it should look at the record, and what was said ought to be interpreted in such a way as to lead to an innocent conclusion, which places the matter, as I have said, as a matter of interpretation or disagreement between the parties, and in my opinion, takes the matter out of the category of a question of privilege.

Mr. McKenzie: Could I put a further question? I reserve the right to proceed with this matter as a question of privilege, Mr. Speaker.

Mr. Speaker: Order, please. The hon. member may reserve the right to do a number of other things. He certainly has no right to proceed with that matter any further. I have adjudicated on it and I cannot change my adjudication. If the hon. member thinks that as a result of some intervention in this debate he has some additional matter to pursue, that may very well be the case. I do not know that.

ROUTINE PROCEEDINGS

[*English*]

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

CONCURRENCE IN FIFTH REPORT OF STANDING JOINT COMMITTEE

On the Order: Motions:

February 16, 1979—Mr. Baldwin (Joint Chairman of the Standing Joint Committee on Regulations and Other Statutory Instruments):

That the Fifth Report of the Standing Joint Committee on Regulations and Other Statutory Instruments, presented to the House on Friday, February 16, 1979, be concurred in.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, may I discuss this briefly as a point of order in the hope that it might save some time of the House. I am not actually moving the motion at this time. It is a motion in my name as co-chairman of the Standing Joint Committee on Regulations and Other Statutory Instruments to concur in a unanimous report. It was agreed to by members from all sides of the House. I believe it

was actually moved by a member of another party from the other place and seconded by the hon. member for Vancouver-Kingsway (Mrs. Holt). It purports to seek authority for the committee to conduct a comprehensive study of the means by which parliament can better oversee the government regulatory process, and one or two related things.

I would like nothing better than to debate that in light of the vast improvements which have been made in jurisdictions in Australia and the United States, but I know the time of the House is limited before this session ends.

I would be prepared to put the motion now if there was an indication that the House would accept it. I understand it either has been moved or will be moved and passed in the other place. If someone in authority on the other side could give me the assurance that if I put the motion it will be passed without debate, I would be prepared to waive the right to debate it. I am asking for concurrence as the delegate of the committee. It is not a motion on behalf of this party. Because of the limited time between now and the expiration of this session and the amount of work this committee will have to do to try to bring in a reasonable report which may be left as a legacy to the next parliament and the next government, we would like to get the matter under way as soon as possible. I would be prepared to waive any right to debate the matter if I can get the undertaking that if I move the motion now it will be accepted.

[*Translation*]

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the suggestion of the hon. member deserves consideration. I would have to take a closer look at that report before taking position. I take note of his suggestion. I understand that he is prepared to stand his motion today and before the end of the week we should be in position to say whether his suggestion is acceptable or not.

[*English*]

Mr. Baldwin: Mr. Speaker, if I hear from the government before tomorrow that it is prepared to give that undertaking that is fine; otherwise I am giving notice now that I will present my motion tomorrow and we will have a debate.

* * *

QUESTION ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, question No. 672 will be answered today.

[*Text*]

ST. BONIFACE—DECREASES IN ANNUAL PAYMENTS

Question No. 672—**Mr. Hare:**

What is the total amount of decreases in annual payments paid into the Constituency of St. Boniface brought about by the government's restraint programme and which departments and what amounts are involved in each case?

Mr. Thomas H. Lefebvre (Parliamentary Secretary to President of the Treasury Board): The information requested is not readily available. To provide an accurate reply would entail a lengthy and costly examination of the accounts of every program of each department which cost in manpower and time would be exorbitant or prohibitive.

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, if question No. 626 could be made an order for return, this return would be tabled immediately.

Mr. Speaker: Shall question 626 be deemed to be made an order for return?

Mr. Paproski: Agreed.

[*Text*]

EXPORTS—RAW RESOURCES—SEMI PROCESSED AND MANUFACTURED GOODS

Question No. 626—**Mr. Rynard:**

For each year 1970-77, what was the total amount of exports for (a) raw resources (b) semi-processed goods (c) manufactured goods to (i) the United States (ii) the United Kingdom (iii) West Germany (iv) France (v) the Peoples Republic of China (vi) the U.S.S.R. (vii) Sweden (viii) Japan?

Return tabled.

* * *

[*Translation*]

STARRED QUESTION

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, would you be so kind as to call starred question No. 610?

[*Text*]

*EXTERNAL AFFAIRS PROGRAM—FOREIGN VISITORS

Question No. 610—**Mr. Diefenbaker:**

1. Has the Department of External Affairs set up an exercise known as "Programme for Foreign Visitors"?

2. Are funds available for foreigners touring Canada as "opinion formers"?

3. How many of such "opinion formers" have toured Canada under the auspices of the Department of External Affairs, and what was the total cost in each of the past four years?

[*English*]

Hon. Donald C. Jamieson (Secretary of State for External Affairs): In so far as the Department of External Affairs is concerned, the reply is as follows:

1. Yes. The Department of External Affairs has as part of its external information activities a program to encourage visits to Canada by selected foreign journalists, broadcasters and other "opinion formers" and to assist others in these categories visiting Canada on their own initiative. The program is designed to encourage a greater knowledge of Canada abroad and better understanding of Canadian attitudes and policies affecting our relations with other countries.

2. Yes. Where desirable, the Department of External Affairs meets the cost of travel to and from and within Canada of foreign journalists and other "opinion formers" selected on the recommendation of Canadian missions abroad. The financial assistance available to each visitor is limited by Treasury Board regulations. The funds are drawn from those available for information and cultural relations under the "Canadian interests abroad program" provided for in the estimates of the Department of External Affairs.

3. The number of sponsored "opinion formers" who have visited Canada under the auspices of the Department of External Affairs and the costs involved in each of the past four fiscal years are:

	Number of Sponsored Visitors	Total Cost $
1974-75	278	$215,218.08
1975-76	284	$256,090.26
1976-77	203	$268,488.94
1977-78	234	$246,587.83

[*English*]

Mr. Pinard: I ask that the remaining questions be allowed to stand.

* * *

POINTS OF ORDER

MR. EPP—QUESTION NO. 679—CONTRADICTORY INFORMATION SUPPLIED BY SOLICITOR GENERAL

Mr. Jake Epp (Provencher): Mr. Speaker, I rise on a point of order. When a member places a question on the order paper with the expectation of receiving an answer from the government, he also expects the answer to be in accordance with the facts. It creates difficulty for an hon. member who has raised specific questions about government activity in his riding to receive an answer to such a question on the order paper that is totally contradicted by the minister who supplied the answer in the first place.

On December 4, 1978, I placed question No. 679 on the order paper asking the Solicitor General (Mr. Blais) the following:

Is the government planning expansion of the RCMP Highway Detachment Building located at Steinbach, Highway No. 12 and, if so (a) what is the capital spending (b) on what date will construction (i) begin (ii) be completed?

I received an answer to that question on January 30, 1979, which appears in *Hansard* at page 2700. The answer the Solicitor General gave was very succinct. It consisted of the one word "No". I think everyone in this House would interpret

that answer as meaning only one thing, namely, that the construction about which I inquired was not taking place.

I asked the question in view of the fact I had spoken with a number of officials in the RCMP detachment office as well as at headquarters in Winnipeg who indicated to me that in fact this construction was to take place. After having received that negative answer on January 30, 1979, an answer signed, as nearly as I can make out the signature, by the Parliamentary Secretary to the Solicitor General (Mr. Young), I received a letter signed by the Solicitor General dated February 13, 1979. This letter from the Solicitor General totally contradicted the answer I had received as recorded in *Hansard*. The letter dated February 13, 1979, and addressed to myself reads:

● (1530)

Reference is made to your letter dated 1978-12-21 and to the interim reply dated 1979-01-09 from my Ministry Assistant, concerning the Royal Canadian Mounted Police Detachment at Steinbach, Manitoba.

I am informed by the Commissioner of the Royal Canadian Mounted Police that interior renovations as well as a new parking lot at the rear of the building, with access from the Town's back lane, are indeed programmed for the fiscal year 1980/81. The estimated cost for the project is not expected to exceed the $180,000 figure as you mentioned.

As you are aware, however, projects such as these are evaluated on a force-wide basis yearly and should others be deemed of a higher priority in the competition for scarce resources, a delay in present plans could occur.

The letter is signed by the Solicitor General from whose department I received this negative answer.

After I received the negative answer and prior to receiving the letter from the Solicitor General, the local press contacted me as to the RCMP's plans for the RCMP detachment building located on highway No. 12. I supplied them with the question which I had placed on the order paper and also the answer. An article appeared in the local press which indicated that the Solicitor General's department had now decided that the plans were not to go forward. I accepted these answers as factual and in good faith. How else should I have interpreted the answers? Subsequently, one week later, from the same minister, from the same department, on the same question about the same detachment building, the minister gives me a reply which in fact had been confirmed by the RCMP in Winnipeg.

At the moment I can only place myself in your hands, Mr. Speaker. As an individual member, I do not know what other recourse I have. When an answer is given, then totally denied, and in fact an opposite answer given by the Solicitor General, what response can I possibly make to my constituents? This matter came to my attention last night, and I am placing myself in your hands, Mr. Speaker. If there is in fact a prima facie case, I will look at it and advise as to whether I will proceed with it.

Hon. J.-J. Blais (Solicitor General): Mr. Speaker, I fully sympathize with the hon. member on the point that he is making. I have looked at the question which he has on the order paper and, indeed, it is a very normal and very short question that he poses. I do not have with me the written inquiry which he directed to my attention and to which he has

received a reply. Therefore, I am not in a position to advise the hon. member whether there is an inconsistency in the reply which he received to his question on the order paper.

Mr. Epp: I told you there was.

Mr. Blais: That is the hon. member's interpretation. I would like to look at the two documents and provide the hon. member with a reply. Of course, I would insist that there has not been any intention to provide wrongful information. If there is a difference in the two documents it might be because of the time when the two replies were made. However, Mr. Speaker, I would want to have some time to review the matter and then to deal with it fully. In view of the fact that it has been raised in the House, I will be replying and making the corrections which will be compellable before this House.

MR. HNATYSHYN—DELAY IN ANSWERING QUESTIONS NOS. 207 AND 208

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, very briefly, I would like to raise a point of order at this point. Up to this date, I have not complained about the particular questions which were placed on the order paper during the first week of this particular session. I believe now that it is most appropriate for me to stand up and in a most serious way address my remarks to the parliamentary secretary and ask him if he will now pay attention to two particular questions and at the earliest possible date obtain the answers to them.

These questions are very important in terms of government expenditures and the use by members of the cabinet of publicly paid and publicly financed equipment belonging to the government. The questions are also important in terms of whether or not certain equipment belonging to the people of Canada and the government has been used for political activities. I refer specifically, for the parliamentary secretary's benefit, to questions Nos. 207 and 208 which stand in my name.

One question asks whether the Liberal Party of Canada has paid for the use of any government aircraft in the period August 16 to October 16, 1978, in connection with the by-elections held on October 16, 1978, and, if so, what is the amount for each trip. I know that this information is available from the Department of Transport and that it can very easily be ascertained.

The second question asks whether or not the Prime Minister (Mr. Trudeau) or members of the cabinet during the period August 16 to October 16, 1978, made use of government aircraft and, if so, what was the total cost and what was the destination on each occasion. Again, a simple request of factual information which is on the records of the Department of Transport and which is easily obtained.

I think that it is in the interest of the government to have this information brought forward immediately. If there had been a simple answer, that the aircraft had not been used during the course of the political campaign, I would expect that it would be very simple to write a nil reply. I have to draw the conclusion that equipment was used during the course of this political campaign by government members, who have an advantage in terms of political activity in this country, having available to them JetStars and government aircraft of various descriptions to bring them to various constituencies in the course of an election campaign.

It is very important that the record be made clear and that the government not hide this matter until this parliament is dissolved, unless it wants to be accused of keeping this matter under confidential cover-up. If they are hiding information which the people of Canada are entitled to see they will know what kind of morality exists in this particular government.

[*Translation*]

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am convinced that the member believes that Canadians take him seriously when he says he wants to act in the interest of the government. I am also convinced that he is serious when he says that his questions are important. However, there are about 700 questions on the order paper and all members believe that their questions are important, Mr. Speaker. If you would allow me, I would say that on February 14, less than six days ago, the official statistics were as follows. Answers had been provided to 434 of 1,137 questions, which means an average of 37.2 per cent. Therefore, this is a satisfactory average compared with other averages at this time of a session during recent years. I am asking the hon. member to be patient. He has been well looked after by parliament in the past and we will continue to do so. He knows quite well that the government has never attempted to hide anything to members opposite, especially when the information is available.

[*English*]

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I rise on the same point of order. I am very interested in the parliamentary secretary's reply, because as a former minister of transport I know how these accounts are kept. These accounts are kept on a daily basis in the Department of Transport. If an aircraft is used by anybody, the hours and the expenditures for salaries, fuel and so on are kept on a daily basis and can be obtained very rapidly and very easily.

There is absolutely no excuse for holding up an answer of this kind longer than one week at the outside. I know what I am talking about because I was in this job for three and a half years, and we answered many questions of this kind. Those questions should have been answered a long time ago, and it will be a disgrace on this government if they are not answered immediately. There is absolutely no excuse for not giving out information which is available today.

● (1540)

MR. ORLIKOW—DELAY IN ANSWERING QUESTIONS

Mr. David Orlikow (Winnipeg North): On the same question, Mr. Speaker, I was very interested to hear the Parliamentary Secretary to President of Privy Council (Mr. Pinard) urge the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn) to

have patience. I was interested because I have heard that same excuse so many times.

I should like to direct the attention of the parliamentary secretary to the order paper. On October 14, I set down a series of about 50 questions beginning with No. 85, asking for information about the names of the chief executive officers, the presidents and vice-presidents of a large number of Crown corporations and their salaries. Not only did I put those questions on the order paper on the first day of this session, but they were on for most of last session, and if my memory serves me correctly they may even have been on the order paper of the session before.

I know it has not been customary in the past to give information about salaries paid to senior officials of Crown corporations. If the government holds the view that it is not in the public interest to give out such information, then it seems to me they ought to say so and not leave questions on the order paper.

I was interested in an article which appeared in yesterday's *Globe and Mail* and which reported—and I think correctly—that the head of the Bank of Canada receives a salary of around $100,000 per year. I am not saying I think that is too high or too low, but I do not see why that kind of information should not be made available to the people of Canada. That is why I put the questions on the order paper. They are not difficult to answer, and it seems to me that I should have had the answers long ago. If the government does not want to answer the questions, surely they could say so in the regular way and then I could pursue the questions in committee or in some other way.

When the parliamentary secretary urges members to be patient, I think he should be honest when he gives that kind of advice. I do not think he is when he says that, in light of my experience and the failure of the government to answer questions which have been on the order paper this session and last session.

Mr. Speaker: Order, please. I take it that the hon. member for Winnipeg North (Mr. Orlikow) is not suggesting that the parliamentary secretary is being dishonest. He made a rather clear charge that he thinks the hon. parliamentary secretary should be honest and he does not think he is being honest. I want to be very careful that he is not accusing him of dishonesty before we go on.

Mr. Orlikow: Mr. Speaker, I am sorry. What I probably should have said was that I was not certain of his sincerity.

[*Translation*]

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): In his remarks the hon. member for Prince Edward-Hastings (Mr. Hees) told us how it was done in his time. Mr. Speaker, I will check to see whether things have changed after 16 years at the Department of Transport. I will also consider the representations made by the hon. member of the NDP and ask those who are responsible for research in the various departments and agencies to try and expedite the procedures involved so that complete answers can be given in better time.

[*English*]

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

ENERGY SUPPLIES EMERGENCY ACT, 1979

MEASURE TO CONSERVE STOCKS

The House resumed from Monday, February 19, consideration of the motion of Mr. Gillespie that Bill C-42, to provide the means to conserve the supplies of energy within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada, be read the second time and referred to the Standing Committee on National Resources and Public Works.

Mr. Armand Caouette (Villeneuve): Mr. Speaker, with this bill, the government is once again trying to intrude into provincial affairs. Clause 15 states the following:

> The board may, with the approval of the Governor in Council, enter into arrangements with provincial authorities for the regulation and pricing by such provincial authorities of the supplies of electric power—

In fact, Mr. Speaker, we are well aware that electric power comes within provincial jurisdiction. I am certain that every provincial government in Canada can recognize the problem caused by conservation. For this reason and others that I will mention later on, we of the Social Credit Party of Canada must oppose passage of this bill, which once again shows us the lack of sincerity of the Minister of Energy, Mines and Resources (Mr. Gillespie), who introduced it.

Mr. Speaker, when we consider the great oil resources of Canada and when we see the situation which has forced the Minister of Energy, Mines and Resources to introduce such a bill, we may first want to laugh, but in view of the circumstances, it is normal to feel some anger, which I believe is justified. We know that in 1974 the government introduced a bill somewhat similar to this one, and it must once again introduce a bill which is quite close to the one passed in 1974. This bill clearly shows just what the Canadian government can do to protect the rights of the Canadian citizens from a multinational company, and I would like to say in passing, Mr. Speaker, that unfortunately, I was unable in the past to put a question on the order paper asking how much in back taxes

this multinational company or Exxon subsidiary owes the federal government.

When the hon. member for Abitibi (Mr. Laprise) asked how many companies were owing tax money to the federal government and how much they were indeed owing, it can be assumed that this company was certainly among the 2,400 which owe a total of $298 million to the federal government. And this is one of the reasons why we cannot support this bill.

Unfortunately, oil that had originally been intended for Quebec and the maritime provinces is being diverted by that same multinational. We know that this company redistributes oil to its Canadian parent company through Imperial Oil and that this company diverts crude oil that should normally go to Quebec and the maritime provinces.

Bill C-42 is merely a response to a situation which could be escalating and is intended in the short run to redistribute equitably the black gold of our country. In the long run we will have to find alternatives to this crisis, energetic alternatives especially to counteract soaring oil prices. Since 1973, the costs of oil supplies have kept soaring. At the same time, the profits of multinational oil corporations have increased considerably. Not only do car drivers have to foot the bill for this but so has our whole economy. The spiralling rise of oil prices is partly responsible for the current economic recession. Western countries must pay more and more for this black gold, which does not contribute to their economic recovery.

Mr. Speaker, Canada must consider itself lucky to possess such enormous oil reserves. Our situation is not as serious as that of European countries, but it could certainly be better than it is now. The means of distribution are very complex, especially in eastern Canada where Quebec for instance must import 40 per cent of its oil consumption while the maritime provinces have no access to western Canadian oil, which means that oil supplies to Quebec and especially the Atlantic provinces largely depend on the decisions of multinational corporations, and the recent events have demonstrated that the Canadian government could not do much in this area. Yet the Canadian government has an instrument, namely Petro-Canada or PetroCan, which could get directly from Venezuela the oil delivered to us by Esso. I think it is the government's duty to act as soon as possible through PetroCan.

Mr. Speaker, when introducing this bill the Minister of Energy, Mines and Resources specified that it is designed to meet a situation which could become urgent. Even though he admits that Canada has to face a difficult period and has very serious problems, the federal energy minister said at a press conference that there is little likelihood of rationing this year. Mr. Speaker, when I explained earlier why we are against the bill, that is one of the reasons. Last weekend in my riding I heard many people express their disagreement with that legislation. They are very reluctant to a return of the 1939-45 wartime stamps rationing system. They were fed up with that situation then and do not want it in 1979, 1980 or 1985. As the minister says, perhaps not this year but it means that in coming years we will undoubtedly have to go back to rationing which would force us to use coupons to get the basic things people need. We hear nowadays that a car is no longer a necessity; those same people have the right, particularly when we consider our wealth of petroleum products, to use the petroleum without being subject to rationing.

● (1550)

The minister is trying to tell us that there is little risk of rationing for this year. At least that is what he said. However, certain facts contradict what the minister said. Indeed some home heating oil distributors have already been rationed, even before the Iranian oil fields were closed. According to Mr. Raymond Martinbeau, Montreal area president of the Independent Oil Distributers Association, the large refineries in eastern Montreal and St. Romuald that belong to the large multinational oil corporations have rationed the supply of these small distributors by 40 per cent. The problem is not only an economic issue but it also seriously affects people buying oil from those small distributors. At a meeting with the association, Mr. Martinbeau depicted a situation which has been very serious for quite some time when he said, and I quote:

—the shortfall could be here within a week. A little later, users of refined oil for furnaces would then be hit.

Mr. Speaker, when people like Mr. Martinbeau tell us things like that, I agree with one of my colleagues who said yesterday that when this bill is considered in committee we should have the power to question all witnesses to understand the situation in which we find ourselves. I think it would be in the interest of the government to investigate the actions of multinationals which have been rationing the distribution of oil for a while. I am not convinced there is any direct link between that situation and the crisis in Iran.

Mr. Speaker, we should remember the tumult that there would soon be an oil crisis. There still are enormous oil reserves, both in Canada and abroad. I agree that inflation and the geophysical features of some fields sent exploration costs on a spiral. We should however ask ourselves whether the exploration cost increase since 1973 justifies the unreasonable increase in oil prices. Mr Speaker, the price paid for oil by the public and our industries is much too high in my view, and the enormous profits made by oil multinational corporations make us wonder. The government should not only ensure that there is fair distribution of oil, it should also exercise some control over oil companies that are caught up by the oil fever.

Mr. Speaker, I for one remember the time when we had here some years ago in this House an hon. member who had won the respect of almost every member here. That hon. member for Témiscamingue, as I recall for having read his speeches in *Hansard* and having heard him, warned this same government to take care not to give those multinational corpo-

rations everything they wished in the form of subsidies because some day they would come here and control the government.

And if that member ever had a chance to come back to this House, I am sure he would rise today and tell you, Mr. Speaker, and to hon. members how right he was to warn the government to beware of those companies which have always tried to dominate and rule our country. I think we may realize the seriousness of the remarks of the hon. member for Témiscamingue, Mr. Réal Caouette, when we see this government forced to introduce Bill C-42.

Mr. Speaker, on the one hand we agree with the minister when he says that the government should continue to encourage people to use energy wisely by avoiding waste to the maximum extent. I agree. I have here a letter from a company which has a branch in my Villeneuve riding, a manufacturer of windows, doors and storm doors which spent hundreds of thousands of dollars trying to find a product that would save energy. We can appreciate the lack of seriousness of ministers and government members when a study was made by the Central Mortgage and Housing Corporation at the request of that company to establish the quality of their windows. For a 71 by 39⅜-inch window the heat loss is 0.18 per foot of opening. For a 60 by 36-inch window the heat loss is 0.16 per foot of opening. Given a 69 by 79-inch patio door, the heat loss reaches 0.19.

We all believed in the honesty of the Minister of Energy, Mines and Resources and that of the Minister of Consumer Affairs (Mr. Allmand). The president of that company wrote a letter to the Minister of Consumer and Corporate Affairs and the office of the minister sent us a copy. I quote the letter of the minister:

The office of Mr. Allmand sent us a copy of a letter you wrote to the minister on January 10, 1979 and a copy of your letter to Mr. Rémi Guérin, an engineer with the Quebec Housing Corporation, also on January 10.

The minister read your letter and asked me to send a copy of it to the Central Mortgage and Housing Corporation to inform them of the products you sell on the market—

And again, as I said earlier, this company used, not government subsidies but its savings, to invest almost $400,000 to demonstrate that it was ready to co-operate with the Minister of Energy, Mines and Resources to reduce the demand for energy. Again I quote from the same letter:

—to inform them of the products you sell on the market, and which might promote our energy conservation policy in the housing field.

Sincerely yours,

Marcel C. Vienneau,
Executive Assistant.

Following this, Mr. Speaker, the company sent me a letter which stated, I quote:

Concerning your recent letter regarding windows, we wish to inform you of a letter received from the Central Mortgage and Housing Corporation.

[Mr. Caouette (Villeneuve).]

This letter clearly states that the idea is to heat outside air rather than conserve energy inside, so why such waste by adding insulation in the walls and the ceilings.

Furthermore, we enclose an article published in "Quebec Construction" mentioning the creation of Crown corporation to develop new energy sources. The budget at its disposal might exceed $10 million.

We are wondering whether instead of spending taxpayers' money to develop new energy it would not be better to carry out research to find away of ventilating or purifying stale air a house whose windows are of a superior quality and therefore reduce the loss of energy.

By analysing these two facts whose end results are contradictory in nature, we can only conclude that we (private enterprise) have spent money uselessly to come up with a window of superior quality because our air infiltration tests show a .18 maximum factor and a framing with a durability of five times and more over a wood window.

● (1600)

Mr. Speaker, these are not the people who carried out the tests, as I said earlier, the tests were made by so-called experts of the department of the Central Mortgage and Housing Corporation.

We believe that it is time we stop contradicting ourselves and find short-term solutions to conserve energy in our buildings and therefore save money for the consumers.

Mr. Speaker, these people are investing thousands of dollars; we only need to refer to what the Minister of Finance (Mr. Chrétien) was saying some time ago in his budget speech when he announced that the 5 per cent tax on doors and double-doors would be re-instated. I think that doors and double-doors do not provide insulation and I also think that not only the minister but also the people of Central Mortgage and Housing Corporation who approved this decision because they just realized it.

But on the other side we have a minister in "economic format" who gives subsidies to companies which make triple pane windows while the minister responsible for the Central Mortgage and Housing Corporation said the following in a letter addressed to the head of Fenêres arctiques Inc., following the correspondence they exchanged with the minister, and I quote:

We acknowledge receipt of a copy of the letter you sent to Mr. Rémi Guérin of the QHC concerning the quality of windows installed in QHC and CMHC projects.

Although the window made by J. B. Charron Ltée has very reduced air leaks per foot, our government, through the National Research Council (NRC), thought it is not the best way to save energy.

They recognize the fact that the window can save a considerable amount of energy, Mr. Speaker, but because, according to the National Research Council of Canada, that window does not let enough air in and, as I said ealier, cannot warm up the air outside, it is not regarded as a good window.

Again I quote:

In a recent document entitled "Measures to save energy in new NRC buildings", the emphasis is placed on the reduction of the total window surface in relation with the total floor surface (the maximum permitted being 15 per cent) and on the installation of triple pane windows in areas where the number of degree-days is over 11,700.

They do not agree, Mr. Speaker, to say that windows are not insulation, but we are prepared to give subsidies to those companies which make such windows. I do not understand at all the attitude of the department which is responsible for the Central Mortgage and Housing Corporation.

I further quote:

In that document, it is recognized that a maximum 0.50 p.c.m. rate of air infiltration per foot can be tolerated, because it is generally admitted that any house requires a minimum of ½ air change every hour for the needs of ventilation (replacement of air) and relative humidity control (condensation). If all the windows were perfectly airtight it would no doubt be necessary to ensure this ventilation by mechanical means, probably less effective from a performance standpoint, as well as cost effectiveness.

I trust those few comments will be of use to you.

Yours truly,
Jacques Soucy, P.Eng.,
Support Centre,
Quebec Regional Office
Central Mortgage and Housing Corporation

Mr. Speaker, speaking of the bill before us, the minister says we must above all save energy; so why is it that the same minister or his colleagues are not in favour of trying out those windows, manufactured here in Canada, so that we might at least find out if they really can help conserve energy efficiently.

Mr. Speaker, of course we of the opposition are rather at a disadvantage, as I said before, to prevent passage of this bill; yet I should like to express a wish. Since 1974, when I was elected to this House, we have passed many bills; but after they are adopted and have been given assent by the Senate, civil servants come along with regulations. So, the wish I express on behalf of my colleagues of the Social Credit Party of Canada is that the minister, after this bill is passed and before applying regulations, should come back before a standing committee to give us a chance to look into the possibilities, to the best of our ability, of ensuring that this bill is welcomed by the people.

Mr. Speaker, in closing may I say that I trust the minister will understand my message, and that those companies will invest, not through government subsidies but by saving their well earned pennies, huge sums of money in an effort to save energy as the minister would have us do today.

● (1610)

[*English*]

Hon. Allan J. MacEachen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, yesterday the Minister of Energy, Mines and Resources (Mr. Gillespie) explained the provisions of the bill before us and described the international circumstances which made it necessary for the government to proceed with precautionary measures to assure energy security.

The hon. member for Northumberland-Durham (Mr. Lawrence) claimed that the Minister of Energy, Mines and

Resources had failed to recognize the seriousness of the energy situation. As I listened to the hon. member for Northumberland-Durham, I was struck by how unjustified that charge against the Minister of Energy, Mines and Resources was, because very early in the game the minister acknowledged in the House of Commons the serious situation which prevailed as a result of the cessation of production in Iran. In fact, the minister was acknowledging, as a result of inquiries by hon. members on the government side, that this situation posed a serious threat before the matter became a subject of lively questioning on the part of members of the official opposition. If the hon. member will take a look at *Hansard,* he will understand that it was some two weeks after the hon. member for Assiniboia (Mr. Goodale) raised the question that he himself began to realize that the matter indeed was one which required attention.

I want to tell the hon. member that I listened to him very carefully last night, and while he led us through a tortuous, so-called historical description of events in Mexico, Iran and whatever oil-producing country he could conjure up. there was very little in the way of content or policy pronouncements in his speech. There was no effort on his part to tell us what the policy of his party is except to denounce the major policy instrument which is available to the Government of Canada in these circumstances, namely, Petro-Canada. I would like to return to that subject later on in my comments.

I would like to respond more seriously to the concerns which have been raised by members from Atlantic Canada with respect to energy security in that part of the country. In providing the reassurance to the people of those four provinces that the government is conscious of their needs, I would like to lay to rest some of the incorrect assertions which have been made by hon. members opposite and particularly to draw attention to some of the unjustified scare tactics which have been used; for example, the allegation that people will be freezing in the dark next winter because of the negligence of the Government of Canada.

I regard that allegation as no contribution in what is a serious situation. Nowhere in Canada were the implications of the 1973 energy crisis more clear than in Atlantic Canada. As the supply crisis developed into a price crisis, the Government of Canada took immediate action to protect the oil-importing provinces from massive increases in offshore oil prices. In his historical review the hon. member for Northumberland-Durham made no reference to that imaginative oil import compensation program which was set up to subsidize eastern consumers through tax revenues collected from western exports. Since January, 1974 a total of—I was going to say a total of approximately $1.9 billion, but almost $2 billion has been transferred in subsidies in favour of the consumers of Atlantic Canada. These compensation payments have allowed the necessary time for adaptation to higher costs. Equally important, they have helped to protect the Atlantic provinces from becoming unattractive from the point of view of industrial development.

Of course, the oil import compensation program provided relief from a crisis situation, and it still provides relief, but in

itself it could not hold out hope for a brighter energy future for Atlantic Canada. As I recall very clearly, the government moved at that time along two fronts to build our energy potential. One was in the field of conservation and the other the development of alternate energy sources, both new and traditional.

Conservation has taken several forms. Agreements were signed with the governments of Nova Scotia and Prince Edward Island dealing with home insulation and industrial conservation. These programs became the model for the Canadian home insulation program. In all, over $100 million was committed between 1975 and 1978 to Atlantic conservation programs.

Energy development has also been a high priority for the Government of Canada. Yesterday, the day on which the hon. member for Northumberland-Durham gave the minister the rounds of the kitchen, the minister tabled a memorandum of understanding with the governments of Nova Scotia, New Brunswick and Prince Edward Island concerning the establishment of the Maritime Energy Corporation. The new corporation will be charged with rationalizing and developing electric power transmission in the three provinces. The Maritime Energy Corporation will also serve as the sponsor of the development of Fundy tidal power and of nuclear power at Le Preau. For tidal power, $33 million has been committed to a preinvestment design project. Strange, therefore, that a memorandum of understanding should be tabled by a minister who has been accused of not being alert to the energy requirements of Canada.

● (1620)

Now I should like to turn my attention to Newfoundland. The Government of Canada has also engaged in important new co-operation with the government of Newfoundland by establishing the Lower Churchill Development Corporation. The development of this energy source will involve investment in the order of billions of dollars and will constitute a major new source of electric power.

From a Nova Scotia perspective, coal is also assuming a new importance in electricity generation. Exploration financed by the Government of Canada has indicated major new reserves that offer the prospect of an expanded thermal coal production by the Cape Breton Development Corporation and increased power generation.

Before I turn to the role of Petro-Canada in Atlantic Canada's energy picture, let me just add renewable energy resources to the list of the government's energy initiatives. As part of the national program of $380 million, the Atlantic provinces are sharing in funds for solar, wood, wind and recycled waste energy.

May I turn now to Petro-Canada. I invite the next hon. member to speak on the other side to justify the opposition of his party to Petro-Canada in light of the important activities that that corporation is undertaking in the interests of the energy situation in Atlantic Canada. It is just over three years since our national oil company was born. In those years, Petro-Canada has grown from virtually nothing to to rank now among the major companies of the Canadian petroleum industry.

Some hon. Members: Hear, hear!

Mr. MacEachen: One of the remarkable futures of this robust enterprise is the way in which it has spread its spending and activity from western Canada across to the Atlantic and north to the Arctic islands.

Atlantic Canada has benefited from the activities of this company and stands to gain more in the future. Why is the official opposition attempting to destroy this corporation which is opening new opportunities in Canada?

Some hon. Members: Shame.

Mr. MacEachen: Let me illustrate, for the benefit of members of the House, Petro-Canada's activities to increase the domestic petroleum supply, to substitute domestic gas for imported oil, and to provide greater security for our remaining oil imports.

As hon. members know, the Scotia shelf has been the scene of petroleum exploration activity for well over a decade now. There have been disappointing dry holes, but there have also been promising oil and gas discoveries, particularly in the Sable Island area. Unfortunately, none of them yet have proven commercial.

When Petro-Canada was created, exploration activity was slackening off, largely as a result of disappointment at the inability to prove commercial viability of the existing finds. However, the injection of fresh exploration funds by Petro-Canada, in association with established explorationists, has contributed to maintaining a level of exploration activity off the Scotia shelf for the past two years. I think it is true to say that, without Petro-Canada's participation, there would have been very little activity in our Atlantic offshore area in 1977 and 1978. That is a clear benefit to the province of Nova Scotia, to the Atlantic provinces and to Canada itself as a result of the activities of Petro-Canada.

Further north, Petro-Canada has helped to bring in a significant natural gas discovery, the Hopedale find off Hamilton Inlet last summer. This, the fourth major discovery on the Labrador shelf, was the result of an imaginative collaboration by Petro-Canada and a private industry partner. While much work remains to be done before this discovery can be properly assessed, and even more time and effort will have to be spent before gas can be brought ashore, it is clear that Petro-Canada is making a significant contribution to the development of what many geologists consider one of our most promising frontier areas.

As we have said, the development of indigenous energy sources is one of the major elements in our national energy strategy. The second is the substitution, wherever possible, of indigenous energy for imported energies. In this regard Petro-Canada's contribution in the Atlantic area as one of the initiators of the Q and M pipeline project is intended to bring

western Canadian gas eastward to serve Quebec and to penetrate into the maritimes. As I said, Petro-Canada is one of the initiators of this potential project of real benefit to Canada. If realized, we hope it will substitute Canadian sources of energy for expensive, imported sources of energy.

Some hon. Members: Hear, hear!

Mr. MacEachen: This bold project, if successful, could displace substantial volumes of imported oil and could as well provide a base for the utilization of Arctic islands gas in the Atlantic area and Quebec. This project will come before the National Energy Board for public hearing and decision later this year. So I ask hon. members opposite: Do they not think that this particular initiative taken by Petro-Canada is not of considerable interest and potential benefit to the Atlantic area?

While on the subject of natural gas, and not wanting to confine myself to the activities of Petro-Canada in Atlantic Canada, I must mention Petro-Canada's Arctic pilot project, a $1.5 billion scheme to bring natural gas from the eastern Arctic islands by tanker in liquefield form. While the terminal for discharge of this gas will not necessarily be in Atlantic Canada, it could obviously bring important benefits to the region in terms of gas supply and the sourcing of equipment.

Finally, I would like to draw the attention of the House to the fact that Petro-Canada is right now negotiating with Pemex, the Mexican national oil company, contractual arrangements to give effect to the intergovernmental understanding reached last month which provides for the supply to Canada of 100,000 barrels a day of secure Mexican oil in the 1980s. I was rather surprised last night to hear the hon. member for Northumberland-Durham give the impression that it was somewhat shameful for Petro-Canada to be engaging in these international activities, that it was somewhat immoral, that is was a matter which should be left to the multinational corporations. We believe that this is a legitimate role for a national petroleum company which is operating in the public interest and in the interest of the people of Canada.

I am aware of the concern of residents of the Atlantic provinces, of consumers in Atlantic Canada and of provincial governments in Atlantic Canada about the region's heavy dependence on oil and about the fact that this oil is currently imported from potentially insecure foreign sources. I have just drawn attention to efforts being made by Petro-Canada to discover and develop the region's own petroleum resource potential, to substitute domestic gas for imported oil and to assure a higher degree of security for those imports which remain. Nevertheless, it is understandable that people in Atlantic Canada should look west and wonder whether and how they will be able to source at least a portion of their oil needs from discovered and developing resources in our own west.

• (1630)

I would appreciate some additional analysis from members of the official opposition as a follow-up to the rather plaintive cry uttered by the hon. member for Don Valley (Mr. Gillies) on February 16 in this House when he asked the minister:

> I want to ask the minister how it is possible, in a country that has enough oil to meet the needs of all its citizens, that the government did not put in place long ago . . . distribution systems that would get out oil to the maritimes, which we ought to be able to do.

I took that formulation to heart, and I want to deal with it, I hope constructively. It brings me to the question of establishing a pipeline connection from western Canada to the Atlantic area. The government—as the minister pointed out very clearly yesterday—has made a start in this direction by providing financial guarantees for the extension of the Interprovincial Pipe Line system from Sarnia to Montreal, an extension which was completed in 1976 and which is today flowing more than 300,000 barrels of oil a day into the Montreal area.

Some hon. Members: Hear, hear!

Mr. MacEachen: That is the Sarnia extension. This extension east from Sarnia is by itself significant for Atlantic Canada. By reducing eastern Canada's total dependence on imported oil from about 800,000 barrels a day in 1973 to some 500,000 barrels a day now, the supply security of the whole area has been improved.

Of course, hon. members will say that the pipeline still terminates at Montreal. The idea has been put forward of extending the pipeline to Quebec city and there providing facilities for tanker loading to supply Atlantic refineries. As well, the idea has been canvassed of reversing one of the lines of pipe in the Portland-Montreal pipeline system with a view to flowing western Canadian oil via Portland, Maine, to Atlantic refineries.

Both these schemes, which are touching upon the question raised by the hon. member for Don Valley—if they did not touch on that they could not have touched on anything real—may have some merit. I understand from my colleague, the hon. Minister of Energy, Mines and Resources that a joint study of the partial reversal of the Portland-Montreal pipeline is to be embarked upon by the federal government, the affected provincial governments and the pipeline company.

Of course, any study of "Oil East" will require careful evaluation of the potential for the western Canadian petroleum resource base to support an additional eastward flow at least long enough to allow for depreciation of any new facilities which might be put in.

As well, the question of costs and cost differentials will require examination. The federal government is already spending a great deal of money on oil import compensation and on subsidizing the pipeline tariff differential between Toronto and Montreal. We will want to find out whether "Oil East" is likely to involve additional subsidies. As well, alternative means of better securing the Atlantic provinces' oil supply, including the use of strategic petroleum storage and the substitution away from oil to indigenous energy forms, will need to be looked into.

In response to the question raised by the hon. member for Don Valley, I really want to point out that these are important

questions that are currently receiving urgent attention from the government and the Minister of Energy, Mines and Resources. Before concluding on that point I think I am justified in saying that my exposition or recitation of all the activities in the field of energy under the leadership of the Minister of Energy, Mines and Resources, it seems to me, is a clear rebuttal to the very unjustified charges made against him by the hon. member for Northumberland-Durham.

Some hon. Members: Hear, hear!

Mr. MacEachen: I just want to say a word or two about the Tories and PetroCan. It mystifies me why they are opposing this national petroleum corporation. PetroCan is presently a major instrument for ensuring secure energy supplies for this country.

An hon. Member: Nonsense.

Mr. MacEachen: It is a major instrument for ensuring secure energy supplies for this country. I repeated the sentence in the hope that the hon. member for Northumberland-Durham would repeat his retort, namely, "Nonsense". I believe that is the kind of attitude that will be very harmful to him and his party when they go into Atlantic Canada seeking votes.

Some hon. Members: Hear, hear!

Mr. MacEachen: There is clear evidence to all of us that the Leader of the Opposition (Mr. Clark) wants to abolish Petro-Can, allegedly because it is a threat to free enterprise. He is mistaken. It is not a matter of free enterprise, not a matter of public enterprise versus private enterprise; it is not socialism versus free enterprise. It is Canadian interests versus international interests; and it is Canadian enterprise versus multinational corporations.

Petro-Canada has a central role to play in exploration and supply. To abolish it would be to place our faith, as the Tories apparently do, in the multinational companies. It would also be to exclude Canada from major international activities in the oil field.

It was interesting to me that the eloquence of the words of the hon. member for Northumberland-Durham had hardly escaped from his lips when I picked up today's *Globe and Mail* report on business and read that the government of Newfoundland has committed ideological deviationism because it has not gone along with the Leader of the Opposition (Mr. Clark) in his efforts to dismantle Petro-Canada. In fact, the *Globe and Mail* tells us that Petro-Canada, the federal energy corporation, has become a major partner in the Eastcan group of France and will take over as the operator of the consortium's offshore exploration program in 1980, according to Newfoundland energy minister Brian Peckford. The report goes on to say:

● (1640)

> Petro-Canada will assume full control of offshore drilling in 1980, a turn of events the minister views as "a major decision in shaping the future development of our offshore resources."

When the government of Newfoundland decided to associate Petro-Canada with offshore exploration so vital to that province, they viewed it as a major decision in shaping the future development of our offshore resources. In our view, the decision to create Petro-Canada was a major decision in shaping the future development of the petroleum and energy interests of Canada.

Now, Mr. Speaker, just a word about the hon. member for Oshawa-Whitby (Mr. Broadbent). I always try to pay a little attention to his comments. Last night they were somewhat amusing. Certainly they were amusing to me as one who laboured manfully during the period of minority government, to which period in our history the hon. member for Oshawa-Whitby made reference last night. I quote him as follows:

> When the minister waves the flag about Petro-Canada I recall some private conversations in that period when the Liberal government of the day was by no means enthusiastic about Petro-Canada, the two-price system or the pipeline.

In fairness, the hon. member referred to those three elements—Petro-Canada, the two-price system and the pipeline—as the cornerstones of the evolving energy policy for Canada; I gave him credit for recognizing that reality. But it is the next sentence I found difficult to accept. He went on to say:

> In order to survive a crucial vote at Christmas, 1973, and to protect their hides they accepted all three items which were almost literally forced down their throats—

Then, with an innocent rhetorical flourish the hon. member for Oshawa-Whitby turned to another subject by saying: "But that is history." Well, of course, it is not history. The hon. member was obviously hallucinating last night when he attempted to ascribe the evolution of these major energy policies to a repentance before a vote in 1973. All I say is that my memory of these things does not coincide with that of the hon. member for Oshawa-Whitby. I see that the hon. member for Winnipeg North Centre (Mr. Knowles) is smiling. I hope he is smiling in approval of my history and not of the bad history given us by the hon. member for Oshawa-Whitby. I reject outright the suggestion that these policies were forced upon us because we were afraid to lose a vote.

Mr. Knowles (Winnipeg North Centre): We will have a little talk about that.

Mr. MacEachen: I reject that assertion and I believe the hon. member for Oshawa-Whitby will agree with me upon reflection. We both realize these were major policies embarked upon at that time by the Government of Canada and that we are continuing to add to the energy potential and the energy security of this country by bringing before the House the measure in the name of my colleague, the Minister of Energy, Mines and Resources.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I do not know who will be proven right with respect to the

events of five or six years ago in that minority parliament, but let me remind hon. members that from where I sat there was a serious question of exactly who was in bed with whom at that time. One way or another it does not matter, but there is no question that two parties were in bed together.

Just a word to the minister. I would love to see him when he appears some Saturday night trying to shove that crap down somebody's throat, because that is nonsense and he knows it. Nobody is arguing against what Petro-Canada has done. However, a reasonable position to take in this country is that private enterprise could do it, and do it just as well.

Some hon. Members: Oh!

Mr. Forrestall: The socialists over here would nationalize everything at once to acquire the wealth so that it could be redistributed. The socialists over there are just a bit chicken; they cannot quite get themselves out of the socialist bed into which they crawled eight or ten years ago and get back into the mainstream of society. They cannot be electorally honest with themselves.

There was a classic example this afternoon. Of course, the NDP shoved Petro-Canada down the throat of the government. They did not want it. In those days, years ago, there were good Liberals in this country who believed there was a role for the private sector in matters of such great national significance as this. Nobody questions what Petro-Canada is doing. It always amuses me when government takes credit for things other people do. Nobody is arguing against the need to get on with things. There is a difference of opinion as to whether or not a Crown corporation can do it better. I do not happen to believe it can. The corporation might, at the time, have been convenient as a vehicle into which to pump the hundreds of millions of dollars needed into some of these projects. This was necessary and it continues to be necessary, but it is not a question, as government spokesmen would have us believe, of the official opposition arguing against the need to improve the security of our oil supplies, to develop new resources or to preserve and develop our existing resources.

The minister is right again—he is always right, or at least half right—when he says there is not really an oil crisis at this point. The crisis with which we are faced is a management crisis. I need not remind the minister, to take him all the way back to General Eisenhower, of General Eisenhower's role in the dilemma in which we find ourselves. When he cut off our quota system, my right hon. friend from Prince Albert (Mr. Diefenbaker) embarked on an oil policy which was a very sensible one at the time. It met this country's needs and met them well. It made sense. The beneficial effects of developing and securing a western petroleum base have been clearly demonstrated, and for the minister to suggest otherwise is nonsense. The crisis is one of management, not of supply, though we may well find an oil supply crisis on our hands.

● (1650)

Nobody believes this government and nobody can believe them. They told us that there were no problems, not only with regard to oil but with regard to a variety of issues, only to find in subsequent days and months that in fact there is a crisis. The recent oil problem is just an example, albeit a classical one.

The compensation program, which the government House leader had to come and straighten out, of course is needed; nobody is arguing or finding any fault with that proposition. The right hon. gentleman from Prince Albert knew and others in intervening years knew that we would have to do something to correct the absence of security of oil resources for eastern Canada. The Department of Regional Economic Expansion is spending hundreds of millions of dollars to attract and develop an industrial base in Atlantic Canada. It is no wonder that people are confused and frustrated with the policies of the government, which on the one hand does something that seems positive, but on the other hand is cutting the very legs out from under the policy with which the right hand is concerned.

Something of which the minister has to be continuously reminded is that there are large industrial users of energy in Atlantic Canada. On the one hand we have DREE doing everything that it can to develop the Atlantic economy, but on the other hand we have high energy costs. For example, 3.9 million kilowatt hours per month costs a Nova Scotian industry $139,104. In Quebec City the cost is $66,000, and in Ontario generally it costs $76,000. In Manitoba the cost is $71,000, Saskatchewan $61,000, Alberta $75,000, B.C. $58,000, Newfoundland $99,000, New Brunswick $101,000, and in Nova Scotia it costs $140,000. How in the hell can we develop an industrial base if we do not have cheap, accessible, secure energy?

This government says that it is doing everything. Of course, it is doing a lot of things, but why were they not doing those things after eastern Canada had been hit over the head with a sledgehammer in 1973 and 1974? No area in Canada felt the brunt of that Israeli-Arab conflict to the extent that we did in Atlantic Canada. Within months basic prices had quadrupled. God only knows what they are today, but oil landing at Dartmouth is now costing approximately $17.50 per barrel.

Just so hon. members will be aware why we are concerned, and why we do not like to be told everything is well only to learn in fact that everything is not well, I will explain. Householders in Charlottetown, Prince Edward Island, for this month—one of the coldest months in Canadian history—will pay over $60 for 1,000 kilowatt hours. In Halifax they will pay $48.20, in Fredericton they will pay $41.14 and in Montreal the cost will be $26.35. In other cities such as St. Catharines the cost is $28.95, in Brandon it is $31, in Saskatoon it is $28, in Calgary it is $25 and in Victoria the cost is $34.

I wonder what those figures mean to the minister? Of course, he is concerned. I know that he is concerned because he had to get the Cape Breton giant to speak to easterners because nobody else believes him. The crisis is in management. Why was the minister not putting in place the remedies for this situation six years ago? There is Petro-Canada but, good God, we have only heard of it in the last 72 hours. It has been

out spending the taxpayers' money, and probably some of it needed to be spent.

Mr. Andre: I can do that too.

Mr. Forrestall: Yes, the hon. member for Calgary Centre (Mr. Andre) can do it too. So can the private sector and probably a lot more efficiently.

An hon. Member: Give me a blank cheque and I will do anything.

Mr. Forrestall: Yes, give anybody a blank cheque and they will probably do a good job. Our concern is the security of oil today.

An hon. Member: You are way off.

Mr. Forrestall: I am not way off; you are wrong. Nothing which can be said to the people of eastern Canada will convince them that the minister is right. That is where the crisis is. I am not trying to exacerbate things. Why could the minister not get Gerry Regan, Dick Hatfield and Alex Campbell to agree to the formation of a maritime energy corporation three or four years ago? Why did the President of the Privy Council (Mr. MacEachen) not tell us a story then? We needed it three or four years ago, not because there is a crisis now. When the President of the Privy Council was questioned in the House the other day in the absence of the Minister of Energy, Mines and Resources (Mr. Gillespie), he simply sat there. I am hard-pressed to describe any Cape Bretoner as looking stunned, but to tell the honest to goodness truth, Mr. Speaker, I do not think that he knew what was going on. I think he thought there was something serious happening, but it was obvious that the President of Privy Council had not been advised or briefed. Is that or is that not serious? These are our concerns.

What assurances do we have that on April 1, at the end of this first quarter, there will be the same amount of oil at the Dartmouth refinery and other refineries which are involved as there was one year ago in April, 1978? We heard a lot of rhetoric from the minister last night and from the President of Privy Council this afternoon. Neither has unequivocally stated that there will be the same amount of oil at the Montreal and Dartmouth refineries and all the other refineries of Imperial Oil on April 1, 1979 as there was on April 1, 1978. That is what is concerning people. We hear about all the great things which Petro-Canada can do, will do and is doing, but nobody has told us that we will have that oil for sure.

The storage capacity is running down, and late spring and summer months is the time when they rebuild for the next year. Will the oil be there in April, May and June to fill those tanks?

Mr. Douglas (Nanaimo-Cowichan-The Islands): Not if Exxon keeps cutting down and diverting the oil from you.

Mr. Forrestall: The one other question that concerns me, Mr. Speaker, is the question of price. Spot oil in western European markets yesterday afternoon at four o'clock was bouncing between $21 and $24. Can we in Atlantic Canada anticipate that that is what we will have to pay for a barrel of oil? We are paying $17.50 today, but by how much will it go up by the first day of September, for example? Does the minister have any information in that regard? What will Mexico do if the Middle East drives its prices up? I say once again, in Charlottetown people are paying $60 for 1,000 kilowatt hours and in Halifax they are paying $48. Our industrial users are paying $140,000 for 3.9 million kilowatt hours. How can we develop an industrial base when our costs for energy are so far out of whack with the rest of the country? No matter how much the oil compensatory arrangements make up, the fact of the matter is that 1,000 kilowatts is costing $60 in P.E.I. What is the government going to do about it? How high will they allow the price to go?

• (1700)

I am a little surprised at the position the President of the Privy Council must have found himself in this afternoon of having to come into this chamber and speak to Atlantic Canada for the Minister of Energy, Mines and Resources. Obviously, he believes the minister will not be believed in that part of the country and feels it is incumbent upon himself to speak. I hope he will see fit to answer one or two questions, particularly with regard to the conflict with DREE, the conflict the government finds itself in with respect to this development of an industrial base, and what the anticipated price of crude landed at Dartmouth or Montreal refineries will be for September and the end of this year. I hope he can give an assurance, with some appearance of truth, with respect to the supply that will be available to us for the rest of the year. Those are the questions that concern us.

As the minister said, the bill before us is similar to one that was introduced before. We are prepared to move it quickly to committee so that it can be examined with the fairness it requires and the government can impose some form of monitoring or other control in case of a shortage in order to ensure equitable distribution. I look forward to dealing with the matter in committee. Perhaps someone from the government side will speak later—apart from this sham of Petro-Canada—and tell the people of eastern Canada how much oil there is, how much it is going to cost and whether we are going to get it.

Mr. Deputy Speaker: Order, please. Is the hon. member for Algoma (Mr. Foster) seeking the floor?

Mr. Foster: Mr. Speaker—

Mr. Paproski: Mr. Speaker, a point of order. Is the hon. member closing the debate?

Mr. Deputy Speaker: No, I did not say that. I asked the hon. member if he was seeking the floor to participate in the debate so that there will not be any question as to who has the floor at eight o'clock when the House is reconvened.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Fraser Valley East (Mr. Patterson)—Penitentiaries—Optimum number of persons to be housed in institutions; the hon. member for Fraser Valley West (Mr. Wenman)—Statistics Canada—Voluntary responses to Stats-Can surveys.

[*Translation*]

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

[*English*]

Is it agreed that order No. 9 standing in the name of the hon. member for Burnaby-Richmond-Delta (Mr. Siddon) be allowed to stand by unanimous consent?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Agreed and so ordered.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

CANADIAN SOLAR ENERGY INSTITUTE ACT

MEASURE TO ESTABLISH

Mr. Chas. L. Caccia (Davenport) moved that Bill C-210, to establish the Canadian Solar Energy Institute, be read the second time and referred to the Standing Committee on National Resources and Public Works.

Mr. Deputy Speaker: Before I allow the House to begin consideration of Bill C-210, I hope hon. members will allow me a few comments.

The Chair is again faced with the decision of allowing or not consideration of a private member's bill that has been published on the order paper and has passed first reading, along with a group of some 250 private members' public bills, at the beginning of this session on October 30. I find it difficult to take some of the time that could be made available for the discussion of such a bill for a procedural debate. Hon. members are aware that at the beginning of every session the Chair is in the position of having to authorize such first readings without having had a chance to pass judgment on the procedural acceptability of this group of bills, but at the same time it informs the House that it reserves the right, before consideration at second reading stage, to declare any such bill out of order due to irregularities or infringement of the rules or practices of the House.

Because Bill C-210 was expected to come up for consideration at any time during the last few weeks, I have had an opportunity to examine it thoroughly in relation to our Standing Orders and practices, as I indicated I would at the conclusion of my comments on Bill C-204 standing in the name of the hon. member for St. John's East (Mr. McGrath) on November 9, 1978.

I might inform hon. members that I have in front of me pages of precedents that I could use to declare this bill procedurally unacceptable. On the other hand, I accept the fact that hon. members might have other views on the matter and might want to express a different opinion based on different precedents. I feel that hon. members would have difficulty convincing me that this bill does not infringe upon the financial initiative of the Crown. On the other hand, before making such a decision, I would normally invite hon. members to express their opinion. This would bring about a long procedural debate which would use up most of the time available for consideration of private members' business today.

To save time, I plan to put some remarks on the record suggesting to the House such changes in our Standing Orders to provide for a set period of time that could be made available, probably between the hours of six and eight—the ideal hours when we can do everything we cannot do during the day—such time to be made available outside private members' hour, to permit such procedural debates without reducing in any way the time available for consideration of private members' business.

Coming back to Bill C-210, I must point out to the House that clause 3(2) of the bill provides for the appointment by the governor in council of five persons who, together with others who may become members, shall constitute the Canadian Solar Energy Institute. The Interpretation Act makes it clear that the power to appoint includes the power to pay, therefore, because the governor in council could choose to pay a salary to these members, the bill clearly involves an appropriation of a part of the public revenue.

Might I also underline the fact that when a similar bill was presented by the hon. member for Davenport (Mr. Caccia) in 1977, it provided that members of the institute would serve without remuneration, but that condition does not appear in the bill now before us. This does not mean that I approve of such provision included in a bill for the sole purpose of bypassing the Standing Orders or the BNA Act which require a recommendation from the Crown for the appropriation of public revenue. But the fact that this condition is left out this time makes us question it.

I also have some questions as to the financial implication of clause 4 of Bill C-210 which is meant to set the objects of the institute, which are to facilitate the production of solar energy equipment, to sponsor, encourage and promote research, and to prepare, compile, publish and distribute information. I find it difficult to believe that these objectives could be achieved without some substantial expenditures, at least for an initial undetermined period, or until sufficient sources of revenue are developed. Of course, this could only be of indirect conse-

quence to the public purse and it could be corrected through the voting of a subsidy or a grant through estimates.

● (1710)

It is my view that, in accordance with Standing Order 62(2), such a bill should be accompanied by a recommendation from the Crown on introduction, particularly if I base myself on recent years' practices in the Canadian House of Commons which have given rise to strict interpretation of this rule. Technically, this bill is not properly before the House, but since a similar bill did pass this House in an earlier session and even reached the other place, I am inclined to allow debate on it at this stage, reserving the right to oppose its progress at another stage, while at the same time protecting the position of the Chair in such matters in the future.

Therefore, I will put the question to the House at this time with all these considerations.

Mr. Caccia: Mr. Speaker, at the outset I would like to thank the Chair for permitting this bill to proceed. I would also like to assure Your Honour that, after carefully studying your remarks, full attention will be given to them and the necessary adjustment in consultation with all parties concerned hopefully will be made at the committee stage.

Members of this House may recall the forerunner of this bill, Bill C-309, respecting the domestic and industrial use of solar energy. It was passed by this House in April, 1977. In the Senate, Bill C-309 received approval at second reading as well as an extensive hearing before the committee on banking, trade and commerce before it died on the order paper in October, 1977, at the end of the session. I would like to thank the senators, particularly the members of the Senate committee on banking, trade and commerce, for their advice on improving the technical aspects of this bill. I would also like to thank the law clerk and parliamentary counsel of the Senate, Mr. Ray du Plessis, for his assistance in redrafting the bill and enabling me to bring forward an improved version to the House today. It is entitled "An act to establish the Canadian Solar Energy Institute".

Before moving on to discuss this bill, I would also like to congratulate the government, and in particular the Minister of Energy, Mines and Resources (Mr. Gillespie), for the practical programs he announced in Toronto in July 1978 to develop the potential of solar energy and produce energy from forest products and municipal waste. As part of this program of some $380 million to span the next five years the minister launched the program of assistance to solar energy manufacturers. He also launched a program relating to the purchase and use of solar heating which will provide contracts worth a total of $125 million to buy Canadian-made solar space and water heating equipment for new federal buildings; and a program having to do with low energy building design awards. In addition, federal funding worth $114 million was set aside to share costs with the provinces and the private sector for demonstration projects in renewable energy and conservation. These programs to develop solar energy have encouraged the interest and participation of a large number of Canadians.

[Mr. Deputy Speaker.]

Recent developments on the energy scene domestically and internationally make it all the more important for us to step up our efforts at turning to renewable sources of energy, and solar energy is one of them. This is the focus of Bill C-210, which addresses itself to the creation of a Canadian solar energy institute. The institute is needed. It would help to achieve the national solar energy objective for Canada as outlined this month in the report entitled "Energy Futures for Canadians" prepared for the Department of Energy, Mines and Resources, which report proposed the following objective:

—supply at least five per cent of primary energy from renewables (other than hydro) by 2000, and 10 per cent by 2025—the equivalent of about 400,000 barrels of oil a day in the year 2000, and one million barrels a day by 2025.

The institute would help achieve this target, perhaps well in advance of the dates suggested in the report. How would this be achieved? The institute would direct and co-ordinate efforts related to the development of solar energy. At the federal level we have the Department of Energy, Mines and Resources. As well we have the National Research Council leading in the research and development of solar technology, the demonstration of prototype solar systems, assistance to Canadian solar equipment manufacturers for industrial product development, and the development of tests and standards for solar equipment. In addition, the National Research Council provides general and technical information on solar energy.

The Department of Industry, Trade and Commerce has a major role to play in the development of a strong Canadian solar energy equipment industry. As part of its efforts to provide information and assistance to solar manufacturers this year, the department is planning a trade mission to help establish industrial co-operation between Canadian firms and their counterparts in Germany and France. The Department of Public Works is administering the program of assistance to solar energy manufacturers, and the program covering the purchase and use of solar heating equipment.

Central Mortgage and Housing Corporation is administering the low energy building design awards. It is also supposed to set mortgage policy with regard to the use of solar systems. The Ministry of State for Science and Technology looks at solar energy from the point of view of science policy and industrial development. Agriculture Canada is sponsoring a study to find out the suitability of solar heating to dry grain in the prairie provinces and heat livestock barns, machinery sheds and greenhouses. These separate efforts are commendable. They are also the main reason why an institute is needed.

The role of the Canadian solar energy institute would be to bring these efforts together. It would be accountable to one minister, the Minister of Energy, Mines and Resources and Minister of State for Science and Technology. The institute would establish priorities and policies. It would provide the leadership and co-ordination needed to avoid duplication of effort. The various research, development and assistance programs now in existence would continue to go on in the departments, agencies and private organizations where they are best performed. If at a later date it was decided that solar development would better be handled by means of a Crown

corporation, the institute and its directors would form the nucleus of expertise.

The institute would consist of directors, half of whom would represent federal departments and agencies involved in solar systems and half would represent groups and associations with an interest in solar energy, such as the Canadian Solar Industries' Association, the Solar Energy Society of Canada, builders, engineers, architects, planners, interested unions, consumers, etc.

Some of the specific tasks the institute would perform are as follows:

(a) to facilite the production by Canadian manufacturers of solar energy equipment and parts by examining, testing and studying proposed products and assisting in the development of prototypes suitable for manufacture.

This would be done in co-operation with the Canadian Solar Energy Association, the National Research Council, the Department of Industry, Trade and Commerce and Central Mortgage and Housing Corporation.

● (1720)

(b) to sponsor, encourage and promote continuing research in Canada in respect of the application and use of solar energy and to further the development in Canada of solar energy technology.

Here the institute would co-operate with the National Research Council, the Department of Energy, Mines and Resources, the Department of Industry, Trade and Commerce, the Ministry of State for Science and Technology, the Canadian Solar Industries' Association and other interested groups.

(c) to prepare, compile, publish and distribute information relating to the application and use of solar energy.

This could be done in co-operation with the National Research Council, the Department of Energy, Mines and Resources and private organizations such as the Solar Energy Society of Canada, the Biomass Research Institute and the Brace Research Institute of Montreal.

It is important to remember that some of this work is already being undertaken in some of the solar programs as well as by private agencies. But the time has come to focus these efforts and set national goals for solar energy development and application in areas such as manufacturing and construction, accommodating both passive solar designs and active solar systems, research, and development of incentives for consumers.

The institute, given the means, could also assist the provinces in the development of important provincial policies such as legislation to define rights to light, changes in the assessment acts so as to provide an incentive, or remove the disincentive for the homeowner who wishes to incorporate passive solar design features or an active solar system in a new or existing house. Most, if not all, of the provinces are now engaged in studying rights to light legislation. Many, including Alberta, are reviewing the question of tax assessment as it relates to solar equipped buildings and the Quebec government has even proposed the establishment of a solar Crown corporation, "La Société nationale des Énergies Nouvelles", in a white paper tabled on June 20, 1978.

The institute, in addition, could consult with consumer groups and the Canadian Solar Industries' Association and review regularly the industrial standards now being established by the National Research Council and the Canadian Standards Association. Preliminary standards for solar collectors and a standard procedure for their evaluation are expected to be announced this spring.

In another area, the institute could explore the development of solar technology suitable for use in developing countries in consultation with the Canadian International Development Agency and the International Development Research Centre.

In conclusion, Mr. Speaker, it seems to me that what we have accomplished so far in Canada is a good start. Now we need the instrument to enable us to move another step ahead. A Canadian solar energy institute is the means whereby we can get the fullest utilization from an energy option that is clear and environmentally sound, develop a new Canadian industry which will create many new jobs for Canadians and, if possible, reach the potential predicted for the year 2000 before the turn of the century.

We have a lot to gain. By supplying at least 5 per cent of our primary energy from renewables, other than hydro, in the year 2000 and 10 per cent by the year 2025 as proposed in the report "Energy Futures for Canadians", our estimated savings would be about 400,000 barrels of oil a day in the year 2000, worth $2.5 billion by today's prices, and one million barrels a day by 2025, worth up to $5 billion a year.

Another estimate comes from the National Research Council, to the effect that we could save close to $1.2 to $1.4 billion a year in the cost of imported oil if renewable energy provides 4 per cent to 5 per cent of our primary energy needs by the year 2000. Whichever of these two estimates is closest to the truth, their magnitude alone suggests they must command attention.

Of course, these potential savings have to be weighed against the capital investments needed to achieve them, but reducing our dependence on imported oil, it seems to me, would make this investment all the more desirable for this and future generations of Canadians.

The need for a Canadian solar energy institute is even greater now than it was two years ago when hon. members discussed and approved Bill C-309. I understand that the government is favourably inclined to allow this bill to receive second reading approval today and be sent to committee for study. I invite the views of interested members and hope that remarks will be kept within the allotted hour so as to permit passage of this bill.

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I was interested in your remarks at the opening of the debate. I had attempted to put forward a private member's bill establishing a similar association or institute to deal with getting government involved in setting up standards for solar energy equipment. I believe this is a very important area that has to be moved into with great speed. There is a requirement that government be involved with legislation in order that compa-

nies preparing solar equipment can get ready for tax incentives that we are prepared to offer them when we become the government.

My bill was ruled out of order because an expenditure of money would have been required. Even though I was as devious as I could be, it was still ruled out of order. I realize the problem you would have had in allowing the bill to go forward.

I commend the hon. member for Davenport (Mr. Caccia) for being successful at something at which I failed. I see in one area of the bill that with this institute we could in fact set up a standards association and provide the kind of directives that are necessary in the solar field. Companies could then provide the standards to consumers who want to purchase solar equipment. The consumers would know they were getting something they could depend on, something that would give them service for 15 to 20 years.

At the outset I want to go through the three recommendations in the bill one by one and give some of my thoughts on them. Clause 4(a) of the bill reads:

—to facilitate the production by Canadian manufacturers of solar energy equipment and parts by examining, testing and studying proposed products and assisting in the development of prototypes suitable for manufacture;—

That is a good clause. I again emphasize that within that clause we can fit an area whereby standards can be established and legislation brought forward. These standards could be established once the Canadian Standards Association and the Ontario Research foundation come up with suggested standards. I hope that will be done this spring because it is very essential. It reminds me of a quote from Halacy:

The makers and installers of solar equipment are a weird and wonderful lot, ranging from giants like General Electric and Honeywell through geniuses with no capital to backlot entrepreneurs who will sell a homeowner two 3′ by 6′ panels to heat his home through a Maine winter.

He is trying to say it is very important that standards be established and that they be established quickly. It is essential that members of parliament and the government be involved in this matter because there are many questions to be answered. If we do not get involved in attempting to answer these questions, the bureaucracy may argue for some length of time and we will never get to actually having this put in place and convincing consumers that it is a good buy.

● (1730)

Who will be responsible for testing? I believe it is essential that the government be responsible for that and that it set up a facility capable of testing solar panels and solar equipment year-round, because I foresee that there will be great interest in manufacturing these items. I believe there are about 100 firms in Canada which are capable of manufacturing solar equipment, and they all want their equipment tested. I think now that would be impossible during the winter season, and therefore it is essential that there be a facility capable of testing this equipment all year round.

Once a particular unit has been approved and a stamp of approval applied to it, then if that unit is slightly changed or improved, we will have to decide whether it must go through the testing procedure again so that it can be recommended again. We will have to see that standards are not too rigid and that they do not discourage companies from bringing their products forward, but we will also have to see that the standards are not too flexible so as to allow certain manufacturers to get approval for solar equipment which will not stand up.

I think the government should move quickly to set up regulations and to invite people who are now working in this field to make recommendations so that we can get on with testing products, so that stamps of approval will be on them when incentives are provided and so that more consumers will be aware of solar energy. The part of the bill dealing with this is for the most part good, and I think we can improve it in such a way that I could support it.

In clause 4(b) the hon. member for Davenport suggests that this institute sponsor, encourage, and promote continuing research in Canada in respect of the application and use of solar energy, and further the development in Canada of solar energy technology. That is very important, particularly when we consider the record of this government with regard to making announcements supposedly to help people involved with renewable energy and solar energy.

On July 4 the minister stated that he would make available $125 million between 1979 and 1984 under a program called PUSH. That program is designed to assist in the purchase and use of solar energy. This was an attempt by the government to help manufacturers by supplying extra dollars for purchasing equipment to put into federal buildings so that there would be a solar presence in those buildings. That is a good program which has much potential. Spreading $125 million over five years suggests that $25 million should be made available every year, but already there is a memo circulating in the Department of Energy, Mines and Resources stating that the $25 million allotted this year should be reduced to $1.5 million. The announcement to which I referred earlier was made almost three quarters of a year ago, but the program is not really off to any start at all because rather than $25 million being put forward it looks as though only $1.5 million will be put forward.

If there are some problems, I think the public should be made aware that it is impossible to start with the program this year. However, every indication should be made that in the following four years this money will be allocated and that solar equipment manufacturers will be assisted. This program could also be of assistance with regard to testing and the establishment of standards, because a certain amount of risk would otherwise be taken by the consumer. This program could be of benefit to the consumer, however, because once these products are tested consumers would be willing to use this technology in their facilities.

Another program called the Program of Assistance to Solar Energy Manufacturers, PASEM for short, has been announced. It seems to be off to a good start. I looked in the supplementary estimates and found that $600,000 has already

been allocated for this program. Initially it was envisaged that about 25 grants of $10,000 each would be awarded to firms so that they could prepare solar equipment design proposals. After that the idea was that the government would make ten contributions of $200,000 to $300,000 each. Initially I had some reservations about this program, and I believe I still do.

The choices for grants have been very good. They have been applied across the whole field of renewable energy, and many grants have been made to small business firms which are the ones which I think have shown the most initiative in this area. I know large companies are getting involved because they see a lucrative market, particularly in the United States. I commend this involvement, but I would also like to see small business involvement. The government should help with research, and after research is undertaken small business should be encouraged to become involved in providing technology to the market. It appears that we will have to watch very closely to see whether small businesses will be bought off by small grants and whether large grants will be going to large international firms so that they can continue the research.

There are already some problems. I asked a question of the Minister of Public Works (Mr. Ouellet) some weeks ago as to when application forms were made available for these grants. We learned that a few weeks before the application deadline the Department of Public Works changed the format. I believe the application form was about 70 pages long. Large companies employ people to handle such forms, but small businesses comprising one, two, or perhaps ten individuals would take some time to go through a 70-page application form to make the necessary changes. It seems to me that there is a push away from small business and that help is being given to larger businesses.

Compared with the United States, Canada has a long way to go in the research field. For the fiscal year 1980 the Americans have set aside some $500 million for work in solar energy research and development. This money is intended to support a wide variety of technologies aimed at harnessing the sun's rays. In past years grants have amounted to hundreds of millions of dollars. While we are now getting a slow start in this area, I think we will have to recognize that most research will be done in the United States, and that will increase our need to import technology. We are going to be behind.

The United States has recognized the importance of solar technology now, and not five years down the road. This government's policy seems to be geared to events five or ten years down the road. So far all this government has done has been to provide research grants to a number of industries. That is commendable, but in no way does it allow industry to begin manufacturing quality solar collectors now. In many states of the United States tax credits are allowed for that purpose. In California swimming pools cannot be built unless they are heated by solar energy.

● (1740)

President Carter is prepared to put in a solar installation tax incentive as part of his energy program. This legislation might well have passed the House in the United States by now. They have recognized that although at present these installations are slightly more expensive because of the price of natural gas, these prices are going up. It is essential to use renewable energy forms in houses today in order to cut back on our reliance on natural gas and oil. The United States is doing that by use of tax credits. I believe this to be very important. It forms part of the Progressive Conservative platform on renewable energy, and if tax credits were provided in this country they would be of great benefit.

I should now like to go on to clause 4(c) on preparing, compiling, publishing and distributing information. It is a very important clause in this bill. There is a tremendous amount of information available on renewable energy. I can remember complaining in a committee of the House of Commons that this information was not available to members of the public and that even I, as a member of parliament, did not have it. I was slightly amused when the following day boxes of material arrived at my office. I appreciated that, because it helped me to become more knowledgeable on renewable energy forms and it also proved to me that much information was available to the public. However, the problem I saw was that while there was a good deal of information, there was not one pamphlet regarding each area in which simple questions would be answered that a person considering the use of renewable energy forms in his home would ask, some basic questions as to how this energy form is set up, how much it would cost, what are its chances of failure, and other questions of that nature.

I found that in the United States there are a number of simple, basic pamphlets available to consumers of renewable energy, particularly in the solar area. They are small, five page pamphlets which contain answers to basic questions, and refer the person interested to a number of other booklets giving more detailed information. I think that is very necessary, and I believe that if this bill is passed an institute could be set up for the purpose of providing information, concerning renewable sources of energy, in simple pamphlet form. I suppose the government has attempted to do that through community conservation centres, but unfortunately they failed, in my opinion. A number of serious problems cropped up in the setting up of these community conservation centres.

I should like to make a few comments about the serious errors that were made in that area. First, an inadequate range of materials was provided to people at these centres. Many of those centres were understaffed and the people undertrained. All they had was a two-week training period. They were hired without any knowledge and given only a two-week training period, following which they were supposed to be able to give detailed technical information on renewable energy and conservation.

In many cases, the employees of the centres were not suitable for the job. They went about chastising other agencies which had the necessary information available, and they appeared at the doors of people who did not know what it was all about. In many cases the people hired were not suitable. We found also that there were breakdowns in financial

administration. The centres were set up for a set period of time, but they ran out of money before that. Just when the people in the centres became knowledgeable in the subject, the funding ran out.

We should use as an example here the Franklin Institute in the United States where people knowledgeable in the subject of renewable sources of energy and conservation were established in cities across the country and told that free Zenith numbers would be provided for inquiries. Capable individuals were hired to staff these offices. Here in Canada a program in each province to educate people about the existence of such offices could be set up. People could be told where they can phone to obtain the necessary information, and if they wished more detailed information they would be told where suitable manufacturers are located and the quality of equipment available.

I spoke about three areas in the bill. I have no objection to seeing the bill go to committee. There are many questions which I should like to ask and some amendments I would like to see made. I recognize that the hon. member for Davenport is fully aware of the importance of renewable energy and I am prepared to fight side by side with him to see that this legislation goes ahead as quickly as possible.

I know, Mr. Speaker, that my time is nearly up and I see your eagerness to interrupt me. We have a number of policy proposals which were announced on International Sun Day last May. They still stand as a way to break ground and get renewable energy moving in this country so as to provide heat for homes and businesses and reduce our reliance on oil and gas.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I should like to commend the hon. member for Davenport (Mr. Caccia) for once more bringing before parliament this piece of legislation, Bill C-210, an act to establish the solar energy institute. As he has already said, it is very similar to legislation which was approved by the House previously. I hope that this time the House will pass it, that the committee will pass it, and the other place will pass it, and that this legislation will go onto the statute books. I do not want to talk it to death and therefore I shall make my comments very brief.

I will give the reasons why something along the line of what is proposed by the hon. member should be put into effect. First of all, we need to recognize in Canada just how serious is the energy situation. The hon. member for Davenport referred several times to the fact that solar energy would save so many hundreds of thousands of barrels of oil in the year 2000 and so many hundreds of thousands of barrels more by the year 2025. The fact of the matter is that by the year 2025, in terms of conventional oil, we might not have very much oil. Our own supplies will probably be exhausted in the mid-1990s.

The international authorities estimate that by the year 2000, or earlier, Saudi Arabia will be the only country in the world with oil to export, so that the fossil fuels, oil, gas and coal are being rapidly depleted. Unfortunately, we have become so used to these crises that we have become hardened to them, and fail to recognize how serious this situation is. That means that all of our technology, our science and our forward planning should be devoted to looking at renewable sources of energy. Whether it is geothermal power, tidal power, utilization of forest waste, biomass or solar energy, all of them have a part to play, and we ought to be using our research and scientific facilities to look at these various options.

I am one of the persons who has said repeatedly over the years, from my very limited experience, that no one is going to find a cure-all for the energy crisis, that there is no one thing that will solve the problem. It will have to be a mix of renewable and non-renewable resources. That is why I feel we should not rush into spending billions of dollars putting up scores of nuclear plants, because if we spend too much on high cost facilities we shall feel obliged to stay in that area in order to get back our capital investment. There should be a mix enabling us to move into whatever areas prove most advantageous. All sources of energy, fossil fuels, nuclear power, solar power, will have to be used until we can work out a mix which will best suit our circumstances. Solar energy therefore has an important part to play. Setting up an institute, if that is the best way of doing it, could serve a useful purpose.

● (1750)

I recognize the reservations you have, Mr. Speaker, as to the propriety of the bill from a procedural point of view. I would point out, however, that while the governor general in council might appoint the directors it is not mandatory that they should be paid; the directors could be persons willing to give their time free of charge as a public service. I would be one. Money would be needed, of course, but there is no reason why, under clause 7, revenues and donations could not be secured from individuals, companies and organizations having a stake in promoting the development of solar energy.

Canada has an opportunity to be in the forefront of this development. I have had a chance to see what is being done in Australia, Hong Kong, Singapore, Israel, and the United States which is probably ahead of all other countries in this field. I hope the time will come when the government or, failing the government, some institute with general support, will bring together all the talent and expertise of the scientific community in order to develop a practical, inexpensive unit for harnessing solar energy.

I know that experiments are going on in some of the provinces. I know that Saskatchewan is experimenting with a house which is completely serviced by solar energy, and that a number of private firms are also experimenting in this field. What I am suggesting is work on a model which can be put into mass production. I submit there is a billion dollar industry waiting to be picked up. The developing countries which lack hydro power and fossil fuels are crying out for cheap, readily available and easily installed solar energy equipment, and the country which moves into this field will be moving into an area of enormous potential.

For these reasons I support the bill and hope it will receive the wholehearted approval of the House, the committee and the other place. I trust that the work of this institute, if it is set up with the co-operation of all sections of the Canadian people and of all levels of government, will make a useful contribution to what I believe can be part of the solution to the energy crisis which confronts not only Canada but every country in the world.

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, first of all I will say that I will be brief because there is not much time left and I would not want, like those in the government, to kill such an important bill by talking until six o'clock. I would like to congratulate the hon. member for Davenport (Mr. Caccia) for having introduced Bill C-210, which aims at establishing an institute to study solar energy.

Mr. Speaker, I have often made recommendations and requests in this House to promote a much more extensive use of solar energy. As everyone knows, the sun is a marvellous celestial body which holds a lot of energy and sends us heat and light. I have often asked the House to pass legislation to implement Daylight Saving Time. Strangely enough, my colleagues opposite have always refused to study this question even though this procedure was used advantageously during the war, and more recently, the United States implemented Daylight Saving Time as an experiment and a study showed that this resulted in a 2.5 per cent savings on oil and electricity. Mr. Speaker, when we know that we now use an enormous amount of energy in all areas, we can see that 2.5 per cent can mean a lot of money, and if we had taken such an action, we would certainly have avoided the emergency bill now under consideration.

Mr. Speaker, once again, I suggest that instead of confusing the population twice a year, in the spring and in the fall, when we have to set our watches back one hour, we should do like every other creature in the universe and take advantage of the sun, especially during the summer and also at this time of the year when the sun rises earlier. This would certainly save a lot of energy.

I conclude by saying that I hope the motion of the hon. member will be passed by this House and the Senate and that the government will finally decide to commission the necessary research in the field of solar energy.

Mr. Pierre Bussières (Parliamentary Secretary to Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, I shall be very brief. First of all I should like to congratulate the hon. member for Davenport (Mr. Caccia) for the determination and tenacity he has shown in the study of renewable sources of energy and for his imaginativeness in introducing this bill. I should also like to point out that we understood full well the reservations of the Chair on whether or not this bill is in order. Still, we are quite in favour of this bill being read the second time, while keeping in mind the reservations that have been expressed.

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on National Resources and Public Works.

• (1800)

[*English*]

Mr. Paproski: Mr. Speaker, I rise on a point of order. Just before calling it six o'clock I should like to draw attention to how courteous we on this side of the House are when it comes to private members' bills. I would hope hon. members on the other side will take note and allow some of our bills to go through.

Mr. Knowles (Winnipeg North Centre): Hear, hear!

Mr. Railton: Mr. Speaker, I think the point is well taken. We have seen a display of courtesy on the part of the whip on the other side, which I hope will continue even during the other debates in the House. Thank you very much.

Mr. Deputy Speaker: As we are approaching six o'clock, by unanimous consent, the hour provided for the consideration of private members' business has now expired. I do now leave the chair until eight o'clock this evening.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

• (2010)

[*English*]

ENERGY SUPPLIES EMERGENCY ACT, 1979

MEASURE TO CONSERVE STOCKS

The House resumed consideration of the motion of Mr. Gillespie that Bill C-42, to provide a means to conserve the supplies of energy within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada, be read the second time and referred to the Standing Committee on National Resources and Public Works.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am glad to have an opportunity to speak on the Energy Supplies Emer-

gency Act, 1979. As most members who have been involved in the energy scene since 1973-74 know, this will be a new allocation bill to replace Bill C-236, which was in force from 1974 to 1976 and which set up the Energy Supplies Allocation Board. In the Standing Committee on National Resources and Public Works we have had many opportunities to call members of the Board to give testimony about the preparation of the energy allocation program. A great deal of work has been done but, due to the fact that the bill contained a sunset clause, it is no longer operative and so a new one had to be introduced. I do not think anyone would question the need for such a bill with the prospect of the loss of a substantial proportion of oil from Iran. I congratulate the minister for bringing in the bill.

In his speech last night the hon. member for Northumberland-Durham (Mr. Lawrence) harangued the Minister of Energy, Mines and Resources (Mr. Gillespie) for not recognizing the seriousness of the energy situation in view of the political instability of Iran. During question period on February 15, he accused the minister of doing a flip-flop and so on. If we look at the chronology of events, however, and the questions put in the House during those days, we will see that several members on the government side put questions to the minister, who responded in some detail about the seriousness of the situation.

On February 5 the hon. member for Assiniboia (Mr. Goodale) asked the minister whether a rationing system was being considered as was reported to be the case in the United States, and whether Canada was prepared to cope with shortages of petroleum. The minister's reply appeared at page 2874 in *Hansard*, as follows:

> Mr. Speaker, the situation is serious. It is by no means a panic situation at the present time, but it is serious. We may well be facing reductions in supply in the coming months. At the present time, the situation is still manageable.

The next day I put a question to the minister. The leader of the Opposition (Mr. Clark) had just returned from his globe-girdling trip, when he offered energy supplies to Japan and to Israel. I asked the minister if the National Energy Board had advised the Leader of the Opposition that supplies would be surplus in Canada. It was obvious that the Leader of the Opposition, when he was tripping around the world offering energy supplies to other countries, was not aware of any shortage in Canada. I think that goes for the knowledge of the hon. member for Northumberland-Durham as well. He did not get around to asking many questions until February 8, some days after questions had been put by members on the government side.

In his speech last night the hon. member for Northumberland-Durham complained that nothing had been done in the years between 1974 and 1979. Of course that begs the question of what was done. If we start to talk about the things that were done through the particular government policy that seems to upset the official opposition, PetroCan, it becomes obvious that a great deal has been done. It has carried out exploration in the Arctic Islands, often in co-operation with private oil companies. It has used its leverage to get other companies in the private sector involved in the High Arctic Islands where the chances of return on investment in the short run are not very great. PetroCan, in co-operation with AGTL, has proposed a pipeline company to bring natural gas to Quebec and the maritimes from the western provinces. When this line is constructed it will back out many millions of barrels of offshore petroleum.

Through the acquisition of Pacific Petroleums Ltd., our national company will be in a position to exploit and develop the oil and gas reserves of the country. As a result of activities in the High Arctic PetroCan has an application before the National Energy Board for gas liquefication and a tanker program that will bring gas from the PanArctic exploration activity in the High Arctic to east coast ports. A substantial part of the exploration off the east coast is also being carried out by PetroCan.

During the next election campaign, Mr. Speaker, I think a great many eastern members of the Conservative party will be very embarrassed by the official position of that party. Last night the hon. member for Northumberland-Durham asked what was being done about the great potential that exists off the east coast. He must have been amazed this morning to read an article on the front page of the Business Section of the *Globe and Mail* in which the minister of energy for Newfoundland, Brian Peckford, describes the important role of PetroCan. The article begins:

> Petro-Canada, the federal energy corporation, has become a major partner in Eastcan Group of France and will take over as the operator of the consortium's offshore exploration program in 1980, according to Newfoundland Energy Minister Brian Peckford.

It is interesting that the Conservative minister of energy for Newfoundland is proudly proclaiming what PetroCan is going to do in the offshore areas of Labrador and Newfoundland. He went on to explain that $120 million will be spent over the next two years. This is one Conservative who does not ride with the federal branch of the party.

I think that most members of the Conservative caucus from eastern Canada are going to be embarrassed by the kind of opposition to Petro-Canada by their colleagues, especially those from Alberta. They know in eastern Canada, where so many activities are taking place relating to energy supply, whether we are talking about the Quebec and maritime pipeline or the gas liquefication program from the High Arctic Islands, or whether we are talking about exploration in the Arctic Islands or the east coast offshore drilling, that all these projects are taking place through the activities of Petro-Canada and with revenues generated from Pacific Petroleums so that demand on the federal taxpayer will be reduced to an absolute minimum.

● (2020)

If we look at the conservative policy on oil prices, it is a very interesting task to try to define exactly what that policy is. Perhaps it could be generally described as being whatever Bill Davis and Peter Lougheed want. For example, let us examine what happened at the first ministers' meeting in November and December where a price increase of $1 per barrel was

sought. The federal government was able to delay that increase of $1 per barrel until next September. It had in mind the implications on the consumer price index of an earlier increase and what it would do to inflation in Canada. That is a very simple thing, if Bill and Peter are agreed. But what happens if they do not agree? Suppose the premier of Alberta says that he wants a higher price for oil, perhaps an extra dollar a barrel, and the premier of Ontario does not want to have that increase because he represents the consuming end of our country. What happens then? Then the Leader of the Opposition disappears, just like his bags did in Thailand. So it is difficult to define exactly what Tory policy is on price when several provincial premiers are involved.

Last night the hon. member for Northumberland-Durham asked what had been done between 1974 and 1979. After a lot of huffing and puffing during his speech, criticizing everything, he finally said that they would support the bill. That showed some wisdom on his part. It took him a long time to get around to it. But during the course of his remarks he asked what has been done between 1974 and 1979. I would like to touch on two or three things that have been done. In my opinion a great deal has been done during these critical years. For instance, I can think of the Syncrude project.

I have a clipping from a newspaper published last week which indicates that Syncrude has produced five million barrels of oil. This production is gradually building up to what it will be in the next year or so of 125,000 barrels of oil a day. Hon. members will recall that when that project was being considered by the House the NDP said the federal government should take over the Syncrude project, and that it should not get into bed with the multinationals. If you had sat in on the national resources and public works committee hearings, Mr. Speaker, you would have heard that something like $19 billion of the $25 billion net revenue from that Syncrude project will accrue to governments. I have forgotten the exact percentage of equity by the three governments involved, but it is something like 40 per cent or 50 per cent. In spite of that, 77 per cent of the net revenues for the Syncrude project go to the three levels of government involved. It backs out another 125,000 barrels of imported oil a day. But even more important than that and the $300 million worth of federal investment in it which is administered by Petro-Canada is the fact that this project came on stream and it is proving up the technology on a massive scale to meet the environmental standards of a modern plant of that size and to prove its efficiency.

The price tag of $2.2 billion, which seemed so much when the project was undertaken, is dwarfed today by the cost of such a plant which I understand will be closer to $4 billion in any new projects of this type.

If we look at Conservative policy on uranium and nuclear energy we see that two or three years ago the hon. member for Northumberland-Durham was telling us that we should have a moratorium on uranium and nuclear exports. If we had followed that course of action we would have been in very tight straits today with uranium supplies, not only affecting customers in Canada but customers around the world. That policy would have meant that development of the mines at Elliot Lake would not have taken place as rapidly as they have. Instead the federal government moved rapidly to organize the most comprehensive safeguard system to be found any place in the world. This has ensured that our uranium, our technology, and our nuclear hardware are used for peaceful purposes.

If we look at communities today such as Elliot Lake, which is moving ahead by some 800 total new miners every year for the next six years, we see the kind of potential which that industry provides.

A few days ago I noticed a press report from Uranium Canada regarding the stockpile which was established in the 1965-1970 period. A large amount of this Canadian uranium has been loaned to Ontario Hydro to even out their demand for uranium supplies. And thus we see another policy of the federal government not only providing guarantees that Canadian uranium supplies will be available for at least 40 years in the future for every new reactor, but also that the stockpile of uranium will be available for utilities such as Ontario Hydro. This uranium can then be borrowed by the utility at a considerable saving to it, at the same time providing considerable profit to Uranium Canada Ltd. which administers this stockpile. I understand it is worth some $750 million today. I have now outlined some of the programs which the hon. member for Northumberland-Durham was unaware of last night when he was criticizing government policy.

Turning now to renewable energy, surely this must be an area of tremendous importance in the future. Last summer the Minister of Energy, Mines and Resources announced a program to develop our renewable energy resources and to ensure that we have the technology in our country to develop this industry as much as possible. This is hand in hand with the government's research and development on renewable energy resources. We see not only the government purchasing, but in areas of utilizing biomass and other technology with regard to solar heat for space heating, developing this program during the next five years with this $380 million program announced by the Minister of Energy, Mines and Resources last July.

● (2030)

Look at the northern gas pipeline legislation which we passed very expeditiously a year ago. We worked many hours in that special committee. That committee has now been re-established to monitor the work of the agency. We see that Canada is meeting all of its commitments in this regard. We see some slippage in the United States program. Next week we will have Mr. McMillan of the Northwest Alaska Pipeline before the committee. We will be questioning him very closely as to the delays that are taking place. If in fact we are going to get delays of a year and a half such as he is suggesting in press reports, we should be calling on the United States to legislate their regulatory program so that this pipeline is not further delayed. When it comes on stream, economic benefits will accrue to Canada, as well as setting up the potential of

delivery of gas from the Beaufort Sea area in the next few years.

While the Leader of the Opposition was on his tour around the world making headlines at home, some of which he did not like very much, the Minister of Energy, Mines and Resources was in Mexico working out a state-to-state agreement between Petro-Can and the Mexican oil company to purchase 100,000 barrels of oil a day. I understand that will start flowing later this year.

The minister indicated a great deal of progress has been made on this agreement. We have to look at that trip not only from the perspective of how good it was for Canada in view of the shortage of supplies we are going to have from Iran, but also in terms of trade. It was not a case of us buying their non-renewable resources but a case of us buying their non-renewable resources and selling them manufactured goods in the form of a Candu reactor. This has got to be the kind of mature economic arrangement which Canada, as an industrialized nation, should be working toward.

We are selling manufactured goods for non-renewable resources. Obviously this is a good arrangement for us. At the same time we must look at this in the context of President Carter's visit there last week. He did not make a deal. It was not a very productive trip. Obviously the trip of our Minister of Energy, Mines and Resources looks that much better because of the very good progress that was made.

This did not happen because of his one visit. We look back a few years to the joint ministerial meetings and visits to Mexico, and the visit by the Prime Minister (Mr. Trudeau), all working toward the day when this kind of an arrangement would be necessary for Canada. Obviously that agreement will be very beneficial to our country.

One of the reasons for setting up Petro-Canada was to be able to make these state-to-state trading arrangements. If we look down the pike 30 or 40 years, the equation for non-renewable resources like gas and oil will get tighter and tighter. As that occurs, the need and demand for a company like Petro-Can will be even greater.

Can anybody imagine a private utility meeting the energy needs of Ontario that are provided by Ontario Hydro? In the early days, setting up a dam and creating hydroelectric power was possible for many small companies to perform. However, as our non-renewable resources become more and more depleted, the need for a national energy petroleum corporation becomes that much greater.

Looking at some of the other important developments during the past four or five years, we see the Montreal oil pipeline of which the hon. member for Northumberland-Durham was not aware. I am told that during the last few weeks that pipeline has been putting through 340,000 barrels of oil a day, almost to its capacity. There are some blanks in the system in the United States portion of the line, so there has to be some rearrangement of supplies through the Chicago loop of that system. However, it is providing supplies to Montreal that we did not have in 1973 at the time of the oil embargo.

Instead of importing 800,000 barrels of oil a day as we would be doing without that pipeline, we are importing something like 500,000 barrels a day and drawing down our offshore oil to around 30 per cent. The Conservatives would say that this pipeline should only be done on a private enterprise basis. But because it is not a money-making venture it has had some considerable subsidy. At the same time, it reduces our dependency on offshore oil and becomes absolutely crucial during the period when we have shortages internationally.

We have a commitment to the International Energy Agency that was set up a few years ago to share our reserves with western user countries. We have to meet those commitments at a time of shortage of oil supplies, such as we are now facing with the cutting off of Iranian oil.

The hon. member for Northumberland-Durham suggested that agreement was never considered by the House of Commons. If he had been serving on the Standing Committee on National Resources and Public Works at that time, he would be aware of the very extended amount of study that went into that program. He would know how it worked in terms of the trigger mechanism. He would know of our responsibility with regard to reserves, the kind of commitment we have to other countries, and that they have to us if there are serious shortfalls.

The chairman of the board and chief executive officer of PetroCan, Mr. William Hopper, who has done an excellent job in Petro-Canada was the key representative of Canada at those meetings in Paris of the International Energy Agency. He did a good job for Canada, and even chaired some of the committees at those agency meetings.

We have a bill before us tonight that will put us in the position where the governor in council can declare an emergency, allocate oil, and impose rationing if necessary. The minister has indicated that this bill will probably not be necessary, but we will have it in place should the need arise. It will give us the powers necessary to meet emergencies and to fulfil our international responsibility. I hope we will pass this bill and move it into the committee where it can be given detailed study.

● (2040)

The government has taken a large number of important steps to meet the long-term energy needs of this country, to reduce demand, to increase the supply of gas, to identify our uranium supply and to upgrade the transportation system. I refer the house to the oil pipeline to Montreal and the Alaska Highway natural gas pipeline. Legislation is in place with regard to the Alaska Highway natural gas pipeline, and things are moving ahead on that. This week there was the announcement of the agreement regarding the Maritime Energy Corporation. I remind the House of the new programs upon which Petro-Canada has embarked in the last year and a half.

I hope we will pass this bill quickly so that it can be studied in detail in the committee and so that it can take on the important responsibility which is waiting for it.

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, as other speakers on this side of the House have indicated, we recognize the necessity for a bill of this kind at this time. It would be folly again to neglect or try to ignore the fact that our offshore supplies are insecure. It is amazing the number of times that lesson has been brought home to this government, but what has it done about security of supply for Canada? Since at least 1950 the Independent Petroleum Association of Canada—that is, small Canadian-owned companies, some not so small, and their association—has been making representations to this government and its predecessors indicating that Canada should become self-sufficient in oil and gas and that Canada should not rely on imported oil and gas. All these representations were to no avail, in spite of Middle East developments.

I suppose the best example of just how wrong this government can be is in the document entitled "An Energy Policy for Canada" published in July of 1973, in which the government stated:

> To date, the security threat has not appeared serious enough to require arrangements to be made to supply the area east of the Ottawa Valley with western Canadian crude oil.

That gem of advice from the yahoos opposite who are supposed to be looking after our energy supplies was given three months before the OPEC embargo when there were shortages offshore. Having had the OPEC warning and the warning with regard to Iran's political upheaval, I hope we will not have to go through this exercise again and that this government will finally pursue policies which will result in Canada's being self-sufficient, as we have indicated should have been done for a number of years.

When he does take this bill to the committee I expect that the minister will permit witnesses from the provinces, and amendments. Considering the frequency with which this government has been saying it wants to co-operate with the provinces, and considering that in 1974 and 1975 there were disputes between the federal government and the producing provinces, it is incredible to me that the minister would bring this bill forward without having consulted the producing provinces. There has been no consultation at all. One could be forgiven for thinking that the government might be deliberately trying to start another battle in anticipation of some short-term political gain, without any concern for the long-term damage which might be done to the country.

During this debate a number of speakers opposite have raised the Petro-Canada question and, in the process, made many statements which are just plain untrue. I would like to deal with a few of those. The minister said that Petro-Canada has caused a considerable increase in exploration and development. The fact is that Petro-Canada has not drilled a single well for either gas or oil in Canada, and if the minister does not believe me, I suggest he check the Calgary newspapers of a couple of weeks ago. If he does, he will see the president of Petro-Canada quoted as admitting that Petro-Canada has yet to drill a single well.

What has Petro-Canada done? The minister said that Chairman Hua of mainland China wanted to deal with Petro-Canada. What poppycock! Chairman Hua was quite prepared to deal with Coca-Cola, and if he is prepared to deal with Coca-Cola, I am sure he would be prepared to deal with PanCanadian, Home, Dome, Ranger, Anderson Exploration, or with a dozen other Canadian-owned oil companies which would be prepared to go to China next week to engage in exploration activities. The minister expects us to believe that Chairman Hua said, "Please bring us Petro-Canada; we don't care that it has not drilled anywhere in the world." Absurd!

Then the minister went on to say that without Petro-Canada we would not be negotiating with Norway. What I want to know is why we are negotiating with Norway. I thought our aim was to try to secure oil supplies for Canada. I did not know we were interested in Norway's security of supply. I thought we were interested in Canada's security of supply.

Mr. Gillespie: You have the blinkers on.

Mr. Andre: Can somebody explain to me how drilling in the North Sea with Norway's state-owned oil company is going to bring about security of supply for Canada? I am afraid that one escapes me.

I would like to deal with the remarks of the Leader of the New Democratic Party (Mr. Broadbent) a little more seriously, because they were made seriously. I may disagree with the position taken by the New Democratic Party, but that party is much more honest in its position than the group opposite. Members of the New Democratic Party do not claim to be something and then do something else. The Leader of the New Democratic Party made a statement to the effect that we should welcome a state-owned oil company because every country in the world has one. Let us look at the situation. The four strongest economies in the world are those of the United States, Germany, Japan and Switzerland. Not one of those countries has a national oil company.

Mr. Gillespie: Oh, really?

Mr. Andre: Let us look at the level just below that, at countries such as France, Belgium and the United Kingdom. None of those countries have significant oil companies.

An hon. Member: What about BP?

Mr. Andre: BP has been mentioned. I will mention others. Fina of Belgium and Total and Aquitaine of France are not Crown corporations as we know them. They are corporations in which the state has a significant ownership position. I am sure hon. members would appreciate the difference. They are not agents of the state. They operate in the market place. The state happens to be a shareholder, and that is quite different. If the minister thinks there is no difference, then he must feel that CDC Oil and Gas is exactly the same as Petro-Canada. Does he believe that CDC Oil and Gas, of which the Government of Canada owns 50 per cent, is the same as Petro-Canada, or was he aware of this? Probably not.

Is CDC Oil and Gas the same as Petro-Canada? Is it an agent of Her Majesty? No, it is not. I think the minister should do a little homework. When we talk about countries' having national or state-owned oil companies, we are talking about the Third World. I agree that most Third World countries have national oil companies, but if we are going to use international experience as a model, why do we not model ourselves after the winners? Why do we not model ourselves after Germany and Japan in terms of the way we handle our economy? Why do we model ourselves after Indonesia and Pertamina, its national oil company, which went out of business?

● (2050)

The second point raised by the Leader of the New Democratic Party which deserves serious discussion is the suggestion that Petro-Canada should be the sole purchasing agent for crude oil purchased offshore for use in Canada. I do want to deal with that—I think it was a proposal of the Leader of the NDP, sincerely made, but it has serious dangers which I would like to bring to the attention of the House. The first one is the argument about having all your eggs in one basket. It would be a serious mistake to have one, sole national oil buyer purchasing all of Canada's imported oil.

I see the Minister of Indian Affairs and Northern Development (Mr. Faulkner) shaking his head. I will remind him of the last time an agent of Her Majesty, this government, went purchasing oil for Canada. It was in 1974. The government purchased oil in Rotterdam at $45 a barrel, the highest price ever paid for oil, before or since. To boot, it was bad oil, it had such a high surphur content it had to be blended with better quality oil before you could burn it. You have to admit there exists at least a possibility that if we had a sole buyer buying for all of Canada, we could end up making that kind of a bad deal, not just for a boat load but for a whole year's supply, and we would end up paying for that. It makes a lot more sense to have five or ten purchasers purchasing off-shore oil for Canada, and they should be Canadian companies. Here I agree with the Leader of the NDP and probably with the government. I think Imperial Oil should be buying its off-shore oil directly and should not be going through a middle man, it should not being going through Exxon, because the corporate purposes of Exxon may not be synonymous with the best interests of Canada. On the other hand, if the purchasers are Canadian companies operating in Canada, we know they will be seeking to maximize their profits, we will understand their motivation, and we can design rules to accommodate them and get the best deal for the country.

The other criticism of having Petro-Canada as our sole oil purchasing agent for off-shore oil needs to be considered, and that is the damage that this could do to our flexibility in pursuing an independent foreign policy. I would ask the minister and the NDP rhetorically, through you, Mr. Speaker, how flexible we would be able to be in our Middle East foreign policy if Petro-Canada were the sole agent of Her Majesty dealing with Saudi Arabia, Kuwait, Qatar, Bahrain, Iran and the other states.

An hon. Member: Very flexible.

Mr. Andre: Would we be able to bring in anti-Arab boycott legislation under those circumstances? What kind of pressure could be put on Canada? Would that not be a greater threat to our sovereignty than the current situation? I ask, without dwelling on it, could Petro-Canada have a Jewish president under those circumstances? The dangers of having Petro-Canada as the sole purchasing agent are simply too large for us to consider that possibility.

The minister alluded in his remarks to the Canadian Commercial Corporation. If he went back to look at the letters patent, the order in council creating the CCC by the Liberal government in 1946, he will see that that corporation was created explicitly, purposely, for government to government commercial deals, including areas like oil. This corporation has just moved into its nice, shiny glass house at 240 Sparks Street. If in fact it is necessary for Canada to have government to government deals, the CCC is there to sign the contract.

The President of the Privy Council, the Deputy Prime Minister (Mr. MacEachen), entered the debate, and again showed that he knows an awful lot more about the rules of the House than he knows about the oil business or any other business. For example, he spoke about all the great things Petro-Canada is doing on the east coast. He said that, for example, Petro-Canada is exploring off the coast of Nova Scotia. That is false, Mr. Speaker. Mobil Oil is exploring off the coast of Nova Scotia—Petro-Canada is giving Mobil Oil the cheques. We do not need a Crown corporation to do that. Even someone with the capabilities of the Minister of Energy, Mines and Resources (Mr. Gillespie) could handle the task of just taking a cheque and handing it to a company.

The Deputy Prime Minister said that Petro-Canada is proposing the Q and M gas pipeline from the west to Halifax. Wrong again, Mr. Speaker. That line was proposed by Alberta Gas Trunk Line, not Petro-Canada. Alberta Gas Trunk Line did the work on it. I wonder if the Minister of Energy, Mines and Resources would be willing to go to Etobicoke and tell his constituents that if the Q and M pipeline is built, the government will probably have to increase their fuel bills by 5 per cent to 10 per cent to pay the pipeline tariff, because that is what will happen, and the minister knows it.

The statement was made that Petro-Canada is exploring in the Arctic islands. Wrong, Mr. Speaker. They are not exploring in the Arctic islands, PanArctic is exploring in the Arctic islands. PanArctic has been in existence for about a decade. The federal government owned a 45 per cent participation, and that again meant sending cheques. So now Petro-Canada picks up the cheque in Ottawa and delivers it to PanArctic. That is the extent of Petro-Canada's participation in drilling in the Arctic.

The minister also said that Petro-Canada is involved in bringing down natural gas from the Arctic islands. A magnificent project, he said; they are being real pioneers, he said. Wrong again, Mr. Speaker. It is the Alberta Gas Trunk Line and Dome Petroleum, two Canadian companies, that are doing

the work for that project. Petro-Canada is supplying cash. They are taking it out of the Consolidated Revenue Fund and delivering it.

According to the Deputy Prime Minister, Petro-Canada was supposed to have found some gas off Labrador. I might say, parenthetically, that finding gas off Labrador is a boo-boo because everybody knows there is gas there. You go out there to look for oil—there is oil out there too. Finding gas off Labrador can be almost called a costly mistake. However, it was not Petro-Canada but Chevron Standard, a multinational of California, that dug that well. Petro-Canada supplied some of the cash but did not drill the well.

We have to put some of these things into perspective. To give you an example of the kind of distortion that goes on, let me say that last year Petro-Canada, when it issued its annual report, issued a press release which said that Petro-Canada had $88 million in net revenue. So the Canadian Press reporter dutifully reported that Petro-Canada had $88 million in net profit. That was a headline. I received the annual report and looked at it and found that $88 million was the gross proceeds, but when you took off things like wages, salaries and rent, trivial things like that, the income came down to $9 million. Then, when you paid taxes, it came down to $5 million. When you work that out as a return on the investment, it worked out to a return of 1.7 per cent. So the Government of Canada is borrowing money in Japan and elsewhere and paying 10 per cent for that money, which it is then investing in Petro-Canada in return for which it gets 1.7 per cent, and it is singing a hallelujah chorus about the great investment it is making. It is absurd, Mr. Speaker.

We have maintained a consistent position with regard to Petro-Canada, and indeed with regard to all Crown corporations, for a number of very good reasons. First, the government does not even know how many Crown corporations there are. There are over 400, but nobody ever there can tell you how many there are.

Second, the Auditor General indicated in his 1976 report that the financial management and control of Crown corporations are significantly below the minimum acceptable standards. We think that is a serious charge.

Third, we have observed, and I am sure the public has observed, the way ministers misuse Crown corporations. For example, when Atomic Energy of Canada Limited sold a reactor to Argentina, the predecessor of this minister, the Hon. Donald Macdonald, was out there on television saying what a magnificent Crown corporation this is, "We have done a super job, we have sold a reactor." Then when we found they had to pay under the counter kickbacks to a number of Swiss bank accounts, and that there was some hanky-panky involved, his successor could not be found. They said, "Atomic Energy of Canada Limited—nerver heard of it. Don't ask us." They take all the credit when they do something good, and they run and hide when they do something wrong. That is contrary to our view of what a government based on responsible ministers is supposed to do.

● (2100)

When we talk about political interference with Crown corporations we have to recall again the appointment of Bryce Mackasey to the chairmanship of Air Canada. What is to prevent this irresponsible government from reappointing Maurice Strong to the chairmanship of PetroCan or, worse still, Ron Basford, the latest departure from over there? What is to prevent the appointment of somebody else who knows nothing about the business? If you think that will not happen, then just look at what has happened. The man who loused up the Post Office is now going to have a go at the airline, at $95,000 a year.

This conflict between the political goals of a political government and the commercial goals of a commercial corporation is at the root of what is wrong with the way this government is using Crown corporations. There is a confusion of the goals. The Deputy Prime Minister and President of the Privy Council has said, "Is it not marvellous that Petro-Canada is financing this operation for Nova Scotia?" It is, if they find oil, but there has been a lot of exploration out there which has come up dry so far. No one has asked, for example, whether it would not be better to take that money now going into dry holes and use it for the development of new mines in Cape Breton, or for the improvement of the mines already there. That would bring on more coal and contribute to our energy self-sufficiency, and in the process would create jobs. I wonder whether the Deputy Prime Minister and President of the Privy Council has ever thought of these kinds of comparisons.

Any fool can dip into the Consolidated Revenue Fund, that bottomless pit, take out money, give it to an oil company and say, "Build me a well." But it takes some wisdom to decide how best to spend the money to the maximum benefit of Canada. That is not something this government is doing.

Petro-Canada is the only oil company I know of, and there are 487 in my constituency, that has a Ph.D. in political science on staff. Imagine a political scientist in an oil company. Why is that? I suggest it is because its goals are political goals. Any other oil company, if it had that money, would hire a geologist, a geophysicist or a driller. Petro-Canada hires a political scientist. Is that what we want our money spent on?

Last fall when Petro-Canada took over Pacific Pete the minister said this would reduce the requirement on the public purse. "PetroCan will not need our money, it will get it from Pacific Pete." There was an indication in the blue book tabled yesterday that PetroCan is getting another $160 million out of your jeans and my jeans.

The minister also said that Petro-Canada was responsible for generating interest in heavy oils. When I was a graduate student 16 years ago people were exploring and doing research in respect of the production of heavy oils, long before Petro-Can was ever dreamed up. The minister knows that the executive of Pacific Petroleum came to see him two years ago with a proposal to build a heavy oil upgrading plant in Hardisty, Alberta. Knowing that, how he can stand up in the House and say that PetroCan is the company that originated the interest in a heavy oil plant is beyond my comprehension.

If you want to know what is wrong with a national oil company let me refer you to this publication of the government of Canada called "An Energy Policy for Canada", Phase I, published in 1973. Beginning at page 189 and continuing for three pages there appear eight good reasons why a national oil company is not desirable. Obviously whoever wrote this was not successful in having it read by the ministry because the reasons are all there why a national oil company is not a good idea. Those in the ministry would not listen.

There is not time for me to go into all the details of our plan of action in respect of Crown corporations when we take over, but let me give you some idea of what will happen, by this little anecdote about the Alberta Gas Trunk Line. Alberta Gas Trunk Line is a company created in 1956 by the Alberta government for the purpose of gathering gas in the province for delivery at the borders to TransCanada Pipelines and other purchasers. It is a utility company, a monopoly.

Instead of creating a Crown corporation, which seemed natural and which the people opposite would have done, Ernest Manning, then premier, offered the shares of this company to the citizens of Alberta. In that way he created a privately owned corporation, the shares of which are widely held by Albertans. It is regulated by the Public Utilities Board. Instead of being struck with a Crown corporation, today we have the Alberta Gas Trunk Line, one of the most dynamic and active companies in the country doing a superb job in the energy industry. What a tragedy if Ernest Manning had the mentality of that lacklustre bunch over there and had left the Alberta Gas Trunk Line as a Crown corporation. Instead of a Crown corporation we have an active and widely held privately-owned Canadian company.

The people of Germany had the good sense in the post-war period to elect the conservative government of Adenauer, who in turn had the sense to appoint Ludwig Erhard as his financial minister. He proceeded to put together a number of state-owned companies, companies like Volkswagen, a name that is very well known now. In 1958-59 Mr. Erhard said that the state did not need to run these Crown corporations, but should sell the shares to the people of Germany, and that is what he did. He offered the shares to people in Germany earning salaries of under $3,800 at the time. This included the Volkswagen company and a company called Preussag mining and oil company of Germany. Instead of Volkswagen and Preussag being state-owned companies they are companies now owned privately by the people of Germany. The people purchased these shares offered to them by the finance minister.

Right across the North Sea in the United Kingdom the people had the misfortune or bad judgment to elect the socialist government of Clement Attlee which followed the opposite procedure of nationalizing companies. Whereas Erhard made them privately-owned, Mr. Attlee took them all over and nationalized them. Can anyone with any sense look at the record and note what has happened to companies like Volkswagen, one of the largest automobile companies in the world, as compared to the British motor companies which the U.K. government nationalized under a state-owned corporation, and still advocate state ownership as a solution? No, Mr. Speaker, we should follow the example of Ludwig Erhard with regard to the 400 Crown corporations the government has created. If there are lessons to be learned internationally we should learn from the winners, from Germany, Japan, Switzerland or the United States, none of which have state-owned oil companies. We ought not to be running around the world trying to learn lessons from Indonesia, Kuwait or Iran. Let us do what the winners have done, instead of following the path of the losers.

• (2110)

Let us do what Germany has done, not what the United Kingdom has done. Let us sell out these Crown corporations to Canadians, let us not go through the process of nationalizing more and more of the oil industry.

I should like to bring it to the notice of members over there that in the last five years a revolution has been going on in Calgary and in the oil industry generally. The percentage of companies owned by Canadians has been increasing at a significant rate. Today, the movers and shakers in the industry out there are largely in Canadian-owned companies. They were responsible for drilling 85 per cent of the exploration wells last year. There are myriad success stories out there involving Canadians who have become important actors in the oil and gas picture. This is the wrong time for the government to interfere with that process, using the heavy hand of Petro-Can, because finally, after years of neglect we have in place a tax scheme which allows Canadians a chance.

Wait five or ten years and the majority of the oil and gas industry will be owned by Canadians. Let ministers over there pay attention to policy not to details. The Minister of Indian Affairs and Northern Development should get his act together and replace the regulations pertaining to northern land use which were withdrawn in 1970. Those regulations were withdrawn nearly nine years ago, yet so far nothing has been put in their place. Talk about incompetence. Ministers should concentrate on the responsibilities which fall within their bailiwicks and let individual Canadians who are operating in this business right now get on with it. They will find the oil and gas we need, and we shall have a secure and happy future.

Some hon. Members: Hear, hear!

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, the hon. member for Calgary Centre (Mr. Andre) finished his speech with a burst of eloquence. He felt the government, in developing an oil policy, should follow the winners, that they ought to avoid state-ownership. He believes they should follow the lead of the Seven Big Sisters who control the industry over a large part of the world, certainly in North America.

I want to ask him to give some thought to this: when you talk about winners, you should decide who they are. Take North America where the great oil monopolies have controlled the production, refining, and distribution of oil in Canada and in the United States. Today, the United States, which was

once self-sufficient in oil, imports about 16 million barrels a day, and Canada, which ten years ago was exporting 60 per cent of its oil and 65 per cent of its gas, is a net importer of oil. Britain, where the Labour government started by buying 40 per cent of British Petroleum—ownership has been stepped up to 60 per cent for which they get government control over the oil industry while at the same time benefiting from the company's expertise, its technology, its managerial skills and sales outlets—is today for the first time in its history a net exporter of oil.

Mr. Andre: And it was a Canadian oil company which first found oil in the North Sea.

Mr. Douglas (Nanaimo-Cowichan-The Islands): So let us be careful before embarking on these ideological discussions. On the eve of an election the Tory party is psychopathic on the subject of Petro-Canada. They are psychotic about the whole idea of public ownership. They have spent most of the time in the last few days pimping for the oil companies.

Some hon. Members: Order!

Mr. Andre: Imagine that coming from a minister. You should be ashamed!

Mr. Douglas (Nanaimo-Cowichan-The Islands): If I were doing the pimping I would be ashamed!

This bill, except for a few minor changes, is almost identical to the act to which assent was given in parliament on January 14, 1974, and which expired on June 30, 1976. The regrettable thing was that the legislation was allowed to expire. The other day the Minister of Energy, Mines and Resources (Mr. Gillespie) blamed the Conservative party for insisting on a sunset clause in that legislation. My feeling is that the Tories can make enough mistakes on their own without the Liberals attributing any of theirs to them. The Liberal government has got into a position now where, if anything goes wrong, it blames either René Lévesque or the Tory party.

There was no need for that legislation to have expired on June 30, 1976. At that time the government had a clear majority and could have brought in an amendment removing the sunset clause, or it could have introduced an energy supplies emergency act any time between June 30, 1976, and now. It ought to have done so, first because the situation in the Middle East is so unsettled, as it has been for a long time, and second because we are a signatory to a treaty under the International Energy Agency.

I was the only member of the Standing Committee on National Resources and Public Works who objected to Canada signing that treaty, and I object still because I believe the terms were most unfavourable to Canada. I agree with the principle, but the consuming countries certainly managed to do a hatchet job on the producing countries, of which Canada was one, when that treaty was signed. Nevertheless, having signed that treaty we entered into an obligation. If the decline in world production was seven per cent or more, a trigger mechanism went into operation and we had to be ready to put in an allocation system within 60 days. But how can one put in an allocation system in the absence of necessary legislation on the statute books?

The other day the minister said this was important legislation, and I agree. But if it is important it should have been dealt with long before this, not when we are facing a crisis.

An hon. Member: A spurious crisis.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Let me say a word about the present situation. It is easy to become rhetorical on either side. We could talk about a great crisis and the drastic consequences or, on the other hand, we could talk in soothing terms and try to convince the public that all is well. The fact of the matter is that the situation created by the turmoil in Iran is serious in so far as that country supplies about six million barrels a day of the world's oil, on which Canada is dependent for from anywhere between 100,000 barrels to 125,000 barrels per day. It is a serious matter, but it is not a disaster, and we can cope if we have the proper mechanism. We must look at the matter in its perspective.

• (2120)

As a matter of fact, in some ways what has happened with respect to Iran and with respect to the diversion by Exxon of the Venezuela oil is a blessing in disguise because it has done two things. It has demonstrated, first, to the Canadian people the vulnerability of Canada's position with respect to its oil supplies. We had a crisis in 1973 and 1974, and all of us who were in the House at that time will remember the feeling of panic we felt because of the situation in the Middle East and because of a threatened boycott by the OPEC nations. All kinds of remedies were put forward and the government at that time took some measures to deal with the situation.

The hon. member for Oshawa-Whitby (Mr. Broadbent), my leader, pointed out last night that the New Democratic Party played a part in promoting and pushing for the implementation of some of the measures which were taken at that time. The President of the Privy Council (Mr. MacEachen) said that that version given by the hon. member for Oshawa-Whitby was not accurate. My leader said that history would bear him out. I am prepared to leave it to the historians, because anyone who takes the trouble to read the records of 1973 and 1974 will see that I myself, as the energy critic for the New Democratic Party, put before this House the measures which we were seeking. At the time we were asking for a phasing out of exports to the United States, a two-price system, the setting up of a publicly-owned petroleum company, and the construction of the pipeline from Sarnia to Montreal.

Hon. members who take the trouble to look up the record will find that that day, before a vote of confidence was taken, the Prime Minister (Mr. Trudeau) rose in the House, not the then minister of energy, mines and resources, and agreed to all those items, including the construction of the pipeline from Sarnia to Montreal. I would warn hon. members not to let any of the government members tell them that they wanted to do these things all along, because only a few week before that the

then minister of energy, mines and resources, Mr. Donald Macdonald, had made a speech pointing out how improper and how improvident it would be to build a pipeline from Sarnia to Montreal. When I suggested that the pipeline should be a reversible pipeline so we could ship oil either way, there were cries of derision from across the floor. So let there not be any fooling as to why some of these things were put in place.

I do not want to take any of the credit from the government for these items which they put in place, but they should not try to fool anybody that the things which they put in place at that time were not done under duress, because they were left with no alternative. What they did at that time was right, and it has improved the position of Canada today. We would be in a much worse position today if we had not phased out exports and if we had not built the pipeline from Sarnia to Montreal.

There were some other things which the government said they were going to do at that time in order to make Canada self-sufficient in oil. They were going to store oil in the maritimes in caverns, empty mine shafts, and various geological formations where oil could be stored so that never again would we be in the critical position we were in in 1973 and 1974. What has happened? Complacency has crept in and the government has slid back into a state of apathy. We have not pursued with the proper amount of diligence the implementation of programs to make this country self-sufficient in oil. This is why we are in the serious situation we are in today.

One of the criticisms we have had of the Minister of Energy, Mines and Resources is that when the Iranian situation became serious and members began to ask questions, the minister gave us soothing syrup and said "Nothing to worry about, Mexico will give us 100,000 barrels a day."

Mr. Gillespie: Read the record.

Mr. Douglas (Nanaimo-Cowichan-The Islands): He said that Venezuela has assured us that 200,000 barrels a day will still be coming to us, and that we will be able, by means of swaps, to meet the situation.

Let us look at what happened when the minister was questioned further. It is true that the minister—and I give both him and Petro-Canada full credit for this—said that they had negotiated an agreement with Mexico. But there will not be oil from Mexico until the end of the year, and it will only be 15,000 or 20,000 barrels a day. The minister said in the House that it will not be until the end of 1980 and probably the beginning of 1981 before we will get 100,000 barrels a day. With reference to his discussions with Venezuela, all that country would promise is that we would continue to get the 200,000 barrels which we have been getting in the past. He indicated that while they would be glad to give us more oil, they did not have any available.

With reference to the swaps, the minister himself said in the House that the swaps would bring us only some 40,000 barrels a day in the next quarter. That, of course, will not meet all the problems which we will face if the Iranian oil is withheld from Canada because we will need much more than that. I have a great deal of sympathy for the minister, and nobody suggests that it is a simple problem, but it would have been much better to have told us frankly what the situation was, rather than trying to tell Canadian people and the members of this House that all was well when, as a matter of fact, we were facing a very serious situation.

[Mr. Douglas (Nanaimo-Cowichan-The Islands).]

I would like to point out something which the House may not fully appreciate, that if we get by, and I think there is a good chance we will because the Iranian oil wells may get into production within a few weeks or months and we may be getting supplies again, it should not be forgotten that swaps, by which we deliver more oil into the Chicago market in exchange for American companies delivering to Quebec and to the Atlantic provinces, will mean we will have to step up our production of oil in western Canada by 50,000 or 100,000 barrels a day or more. That can only be done for a short time without seriously damaging the field. What is more, it is using up the reserves which we need to fall back on in the case of an emergency.

I do not think we fully appreciate yet the National Energy Board's report which shows that our own oil is declining at an alarming rate, that in the 1990s we will virtually be out of regular, conventional oil, and that we will have to fall back on oil from tar sands and heavy oil. We ought not to deceive ourselves as to just how serious the situation is. Nor should we on the other hand become panicky and cry blue ruin.

● (2130)

This House has to realize that legislation like this is necessary, but much more is necessary if we are to solve the problem of having a national energy policy in Canada. That is my first point, Mr. Speaker, that the Iranian oil crisis has demonstrated how vulnerable Canada is in the event of any curtailment of imported oil.

The second thing that has been demonstrated is that the multinational oil companies have become a law unto themselves. They serve not the interests of any country or the people of any country, but their own personal interests. That was illustrated very well when Exxon decided not to cut off Iranian oil but to cut off 25,000 barrels of oil which normally it was supposed to deliver to its subsidiary, Imperial Oil of Canada, on a formula devised by Exxon.

When Exxon was asked to explain they said, "We followed the formula set up by the International Energy Agency, the 7 per cent." They cut oil, not on the basis of the amount of oil imported, but on the basis of the amount of oil sold in a given market. It so happens that Imperial sells a lot of oil in Canada but it does not import very much because it produces most of its oil here. So we got a big cut because the reduction was based on the total amount of oil consumed in the market. I can understand that, although I cannot agree with the formula set up by the international energy agency.

Exxon is not an international energy agency. By what authority does it arrogate to itself the power to determine how oil will be distributed and how it will break contracts even with its own subsidiaries, that can have a detrimental effect on the consumers of this country?

Just the other day during question period in a dispute with a Conservative member, the Minister of Energy, Mines and Resources said that we do not want Exxon to solve our problems; that we are going to solve our own problems. I agree with that, but how does the minister propose we settle our own problems? He says we will settle the problem not by the Government of Canada dealing with Venezuela, but that we will settle the problem by telling Imperial Oil to deal with Venezuela. Does anybody think that Imperial Oil, owned and controlled by Exxon, is going to go to Venezuela and make a deal with them if its parent company says it cannot do so?

I am not going to launch a tirade against Exxon or Imperial Oil, Mr. Speaker. The great oil companies, like any other monopolies, have two basic goals. The first is to maximize their profits, and the second is to look after the interests of the country in which they were formed. That is understandable. If Exxon has to make a decision about where it will cut supplies, it is going to cut them in any country other than the United States. A Canadian company would certainly give preference to Canada and I would expect it to do so, rather than to another country.

What is happening, and this is being demonstrated by the crisis through which we have passed, is that when it comes to determining how much oil Canadian consumers will get, those decisions are not going to be made by the Government of Canada, not by a publicly-owned oil company in Canada, but by an international company like Exxon, or any of the other multinational companies, without regard to what the Canadian government say, or what is in the best interests of the Canadian people. That is why we in the New Democratic Party believe the time has come for the Government of Canada to deal directly with the oil producing countries, and particularly with those that have state-owned trading companies.

We must wake up to the facts of the last quarter of the twentieth century with respect to oil. The basic fact is that the great oil companies no longer own great oil fields. There was a time when these companies owned the oil of Saudi Arabia, Iraq, Iran, Nigeria, Canada and the United States. They even owned oil fields in Mexico until they were thrown out in 1936. They controlled and could move supplies of oil wherever they liked. What happened is that in almost all of these countries, except Canada and the United States, the people rebelled against them and took control of production of oil in their countries, so that today the great oil companies are little more than oil brokers and transporters, except in Canada and the United States.

Today, if you really want to negotiate about oil, you have to go to the state oil companies of the producing nations of the world. That makes sense because these oil producing countries have lost faith in the multinational oil companies. They have said repeatedly that they want to deal directly with the oil consuming countries.

The Shah of Iran, who was certainly not considered a raving radical, made a statement to the press five years ago when he was in the United States. He said in effect, "We prefer to deal on a government to government basis when selling oil because, if we raise the price of oil by a dollar per barrel, the oil companies increase the price by $2 ber barrel. They put one dollar in their pocket, and that creates a lot of bad feeling." The Shah of Iran himself offered to negotiate. In this House at that time I pleaded with the then minister of energy, mines and resources, Mr. Macdonald, to enter into agreements with Iran, Iraq, Nigeria, Venezuela and Mexico. We have been so timid that we have left the oil companies to run the show and now we are paying the price.

Members of the Progressive Conservative Party have spent a lot of time in this debate attacking the idea of a publicly-owned oil company for Canada, with particular emphasis on Petro-Canada. When the hon. member for Northumberland-Durham (Mr. Lawrence) spoke in the debate last night, he said, as reported at page 3386 of *Hansard*:

> I do not believe that intervention of Petro-Can in the Mexican transaction, or in the Venezuelan transaction, would have been any help at all.

In the same speech he said, as reported at page 3387 of *Hansard*:

> We still believe that if Exxon should not be in the middle of these deals there is no reason Petro-Canada should be in the middle of these deals either.

At that point the hon. member for Oshawa-Whitby interjected as follows:

> Who should?

The hon. member replied, in part, as follows:

> Certainly the companies themselves are able to contract and negotiate on their own.

● (2140)

If they are able to contract and negotiate on their own, why are we in the situation we are? Why are we importing oil? Why are we having difficulty getting oil? What members of the Progressive Conservative party need to do is to wake up to the fact that we are in a new era with respect to oil. The great power of the oil companies, their control of the production of oil is dwindling. This is happening all over the world. Today if one wants to deal in oil, one has to deal with governments and with the state-owned oil companies in the producing nations in order to get oil. That is why we think it important that Petro-Canada have a role in this matter. First, we think it ought to be a member of the allocation board which the minister proposes to set up under this legislation.

We think Petro-Canada should be the sole importer, so that we can have oil purchased on the basis of a company that will be able to act in the interests of the Canadian people and, which will see that oil which is contracted for is shipped to Canada, and not diverted to some other place, as was done in the case of Exxon, which took away some of the supplies which were contracted for by Imperial Oil.

We will support this legislation, of course. But I want to say that this is legislation that we think should have been on the statute books for some time. However, we ought not to leave this debate with the illusion that this will solve our problems. This is only giving a tool to the government which it can use to help solve a problem.

They are many things which must be done and I would like to enumerate them briefly. First, swaps. That is exchanging oil, selling it to the market in Chicago and in exchange taking offshore oil for Quebec and the maritime provinces. This is a temporary solution, but is dangerous if it is carried on too long. However, it can meet our needs in the hope that the Iranian situation will right itself over the next few months.

Second, it is time to reduce our exports. We are still exporting oil to the United States. I do not mean that we should cut off the United States. I think we should say to the Americans that we are in a very serious position, and we are prepared to exchange oil. We are shipping about 275,000 barrels of oil a day to the United States. We will continue that into the midwest if the United States will deliver 275,000 barrels a day of offshore oil to Canada. If that arrangement was put in place, with the oil coming through the pipeline Quebec would be completely self-sufficient. We could then put the rest of the offshore oil into the Atlantic provinces.

Third, as I have already mentioned, we should use Petro-Canada for an aggressive purchase program. I do not say this on any ideological grounds. I have never been one who believes in public ownership for the sake of public ownership. Public ownership or nationalization is simply an economic tool. Sometimes it is the right tool, and sometimes it is the wrong tool. In this case it is the right tool because it is the only way Canadians can have control of energy, and energy today is the oxygen by which the body politic lives.

Fourth, we ought to start an oil storage program. The minister said the other day the reason that this has not been done is because Canada is waiting on the United States. We have waited a whole year for the Americans to get to work on the Alaskan pipeline. We may wait for another year. I do not know how long it will take. But it will not be of much comfort to the Canadian people if they freeze in the dark, and then for us to tell them that the reason we did not store oil in the geological formations in the maritimes was because the Americans forget to answer the mail.

Mr. Gillies: Or did not get it.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Or did not get it. I would urge the government to start work immediately on this business of storing oil, particularly in the summer months when consumption is low. That is an opportune time to fill up these caverns so we will have a reserve.

Fifth, we should loop the pipeline from Chicago to Sarnia. Today the President of the Privy Council was telling us—he was really telling his constituents—that the government was favourable toward the building of a pipeline to take natural gas from Montreal to the Atlantic provinces. If he is going to do that, then he better start pouring cold water on the enthusiasm that is being generated in the National Energy Board and the Department of Energy, Mines and Resources for exports of gas to the United States. You cannot sell gas to the United States and have gas for the maritimes as well.

As everyone knows, the pipeline goes from western Canada to Chicago and from there on to Sarnia and Montreal. This pipeline could carry 200,000 barrels a day more, but the bottleneck is between Chicago and Sarnia. It would be a comparatively simple thing and fairly inexpensive to loop that pipeline. That would give 200,000 barrels more to eastern Canada, but that 200,000 barrels of course would have to come, in my opinion, either from exports to the United States or by some type of swap arrangement. I do not think we could step up permanently our production of western oil by 200,000 barrels a day without running down our reserves to a dangerous level.

Sixth, and this is something I have already mentioned, we should get on with the business of running a pipeline from Montreal to the maritimes.

Seventh, I think the government should provide incentives to persuade industry and power utilities in Ontario, Quebec, and in the Atlantic provinces to switch from oil to natural gas. One of the great mistakes made in the Atlantic provinces during the 1950s and 1960s because offshore oil—spot oil—was cheap, was to generate most of their electrical power with oil. Today, of course, electric power in the Atlantic provinces is at a price which is absolutely prohibitive. The sooner they change over from oil to gas or to coal is the only hope people there can have their energy requirements met.

Finally, I suggest we must start developing an over-all energy policy. We cannot deal just in oil and gas. We must include coal, hydro power, and we have to see what place there is for nuclear power. Above all, we have to start moving into solar power and into the renewable energy supplies. That means an integrated national energy policy. I do not believe we have yet formulated that in any great detail.

I want to close by saying that the world of tomorrow will belong to those nations which have two essential things, energy and food. Canada is in the fortunate position that it has the potential for both of these. It is true that we are running out of conventional oil. But we have heavy oil, we have the tar sands, and we still have fairly large quantities of natural gas, and very large quantities of coal. We have a lot of uranium, and we also have areas where food can be produced. With those two commodities, oil potential and food potential, Canada in the twenty-first century has a greater opportunity for increased well-being than any other country in the world.

I am strong in my faith in Canada. I think that if this parliament in the next few years can cope with the energy problem and produce an energy policy which will meet the needs of the Canadian people, our children and our grandchildren will reap the benefits, if we have the intelligence and the statesmanship to seize the opportunity and to follow the paths that will be of benefit to our people and indeed to all mankind.

• (2150)

Mr. James Gillies (Don Valley): Mr. Speaker, the very fact that we are debating this issue tonight demonstrates that for the last 14 years we have not had an energy policy in Canada. This government has demonstrated once again that it has no capacity for leadership, no criteria in its own mind to judge what it should be dealing with, and no idea of the priorities

which should be before it. This might be understandable, although not excusable, except for the fact that energy and energy needs have been at the forefront of debate in every country of the world during the past few years.

Because of the fact we do have energy resources in our nation, this government has been lulled into the feeling that we did not have to put in place a particular policy to meet the needs of Canadians. If there has been an energy policy of any sort by the government, it has to be described as some sort of vague sort of continentalism, a policy that was not based on the fundamental responsibility of any government, which is to protect the sovereignty of its own country, to protect the needs of its people, and to guard the rights of all its citizens.

In the development of energy, this government has been so caught up in the wrong issues; it has missed the fundamentals; it has been so concerned about extending government control into the private sector that it has failed to meet the basic energy needs of the Canadian people.

The reality of the Canadian situation is that we have no energy policy. We have not had an energy policy since the fifties. In those days we had a policy. It was a very simple policy. It was the right policy, and it was based on three very simple propositions.

One was to increase the supply of energy in Canada. This was done by the development of a selective price policy favorable to the western oil producers. Second, it stated that the slow growth areas of the nation should not have to pay as high a price for energy as more prosperous regions, and this was achieved by having Atlantic Canada use offshore oil for its needs. Finally, any excess production was to be exported so that we could help solve our balance of payments problems.

This was the policy developed in the Diefenbaker years, which people liked to deride. However, it was a policy that worked, and it was a policy that was important for all Canadians. There was neither conflict with provinces nor with industry, and there was protection for all Canadians regardless of where they lived.

Canadians could survive the neglect of not having an energy policy throughout the last decade as long as there was cheap energy throughout the world. However, that situation changed in 1973 with the development of the OPEC cartel. When the day of inexpensive energy was over, every Canadian had the right to expect that this government would develop a new viable energy policy, a policy that would increase the supply of energy in this country, particularly oil and natural gas, and a policy that would assure that every Canadian, because we are a country rich in energy, would have the energy he needed.

Instead we have today a situation where there is a portion of Canadians who have no access to energy that is produced in this country. We in this party do not believe that there are second-class citizens in any part of Canada. We do not believe in an energy policy that does not include all Canadians. We believe that a government that apparently has no concern about all of Atlantic Canada in its so-called energy strategy is a government which does not deserve the confidence of the people of Canada.

Some hon. Members: Hear, hear!

Mr. Gillies: That is the situation we find ourselves in today. This government talked constantly about the need for conservation, and yet we have moved from a country that was exporting oil to a country that is importing oil. We have a government that has ostensibly talked about increasing supply after the OPEC crisis, but look what it did.

First, we had the enormous conflict brought about by this government over the taxation of energy. At the very time that we needed a policy to increase supplies, the federal government went out of its way to reduce supplies. Second, we have a federal government that in nine years could not put in a place a set of regulations for the regulation of exploration of oil and gas in the northern parts of Canada. In the same period of time, the British discovered oil in the North Sea, drilled for it and brought it to market. As the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) said, Great Britain is now in an export position.

We in this country have the greatest proven oil reserves in the world in the tar sands of Alberta. What did the government do? Nothing. For 13 years there was a private enterprise corporation working in the oil sands developing technology to obtain oil from the sands. What did the government of Canada do? Nothing.

When the crisis came upon us and Syncrude started, the federal government instead of supporting the pioneer work allowed world prices to Syncrude without allowing them to the Great Canadian Tar Sands company which had pioneered the work there. A country that was talking about doing something to increase our energy supplies did nothing.

The only thing, of consequence, the government could think of doing was to create PetroCan, the post office of the petroleum industry. It was to be the answer to all our supply problems. What has it done? It has not discovered any oil and in the current crisis it has nothing to offer Canadians.

It was intriguing to hear the minister say how exciting it is that PetroCan is dealing over in China, when the people in Atlantic Canada cannot get energy. That is the problem. That is why we need a government policy to deal with energy problems in Atlantic Canada.

The policy of the Liberal government has been put forth in their statement, a strategy for self-reliance. What a mistake in direction for this country. The energy policy for Canada must be a policy of self-sufficiency. With the resources we have in this country, it is irresponsible in the extreme for any government to suggest that Canada must be dependent on other nations to meet its energy needs. We do not have to be and with the proper policies which will be developed after the next election with a new government, we will not be.

The case can be made that the general policies followed by the federal government in the energy field, particularly with respect to oil, since the OPEC crisis, have probably reduced

the total supply of energy available for Canadians since 1974. The federal government's inability to solve the tax problem which drove the drills and oil rigs out of Alberta and the west reduced the total supply of energy that would be available to Canadians at the present time.

On the basis of supply policy its action was counterproductive. However, where the government stands even more indicted is that it did nothing to deal with the energy problems of Atlantic Canada, an area which depends on offshore oil.

Once the OPEC cartel was formed everyone knew that dependence on offshore oil was totally inadequate. And yet, we did not store oil when we could have. Nothing was done to develop a transportation system to carry oil and gas to Atlantic Canada. We have a Department of Regional Economic Expansion to help slow growth areas. However, at the same time the government did nothing to put in place an energy program to protect the long-term interests of the people of that region.

● (2200)

How incredible it is that someone living in Charlottetown has to pay $60 when someone in St. Catharines pays $28 for the same amount of electricity. How incredible it is that we would allow that kind of situation to develop. How incredible it is that the government would not know, after disruption in world markets, that its first priority had to be to get energy into Atlantic Canada.

The other day the minister commented that we are a net importer of oil. Of course we are at the present time. The government's conservation program has been a total failure, but the minister forgets that there are many substitutions for oil. We were talking about 80 per cent of the electricity in Atlantic Canada being fuelled by oil. Did the minister never hear of natural gas? Given the fact that we have a surplus of natural gas, how could the government be so neglectful that it did not find some way to get natural gas to Atlantic Canada? How could it be so neglectful when it knew, or ought to have known, that its foreign sources of supply of oil were not likely to be available in the future? Clearly this is a government which has neglected the fundamental responsibility of any government, to look after the interests of its citizens.

This government stands indicted for the way it has managed the economy, for racking up a deficit and for causing inflation. It stands indicted for creating alienation across the country. It stands indicted for being unable to handle the separatism problem in the province of Quebec. It stands really indicted for the way it has handled energy policy and for its inability to provide for all Canadians, regardless of where they live, with an equal opportunity to get the energy they should have in a country as rich in energy as is this nation. For some reason or other this government does not seem to understand the functions of leadership and government. Those functions are to provide a framework within which citizens can live. This government has been so wrapped up in expanding its own power goals and in developing things like Petro-Canada that it has missed the objective any energy policy should have.

[Mr. Gillies.]

In the few moments I have left I would like to point out that the government has been indicted in many areas, but the thing that will cause the electors to convict it in an election which must be called soon—because we cannot stand the mismanagement we have had much longer—will be the government's absolute failure in energy policy.

Some hon. Members: Hear, hear!

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I want to say a few words about this bill, but I will call it ten o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

PENITENTIARIES—OPTIMUM NUMBER OF PERSONS TO BE HOUSED IN INSTITUTIONS

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, on February 12 I directed some questions to the Solicitor General (Mr. Blais) with respect to the announced changes in the Canadian Penitentiary Service construction program. Although the announcement referred to a national program, I wish to deal with it as it relates to my constituency of Fraser Valley East. The first question I addressed to the minister on February 12 as it is reported in *Hansard* at page 3107 was the following:

In view of his recent statement regarding penitentiary services, will the minister advise the House whether he has rejected the submission of the subcommittee on the penitentiary service that institutions housing a maximum of 200 persons would be the most efficient and desirable in future planning?

The minister's response was as follows:

—I made a statement in Kamloops, I believe in the second week of December—if the hon. gentleman is not aware of it, I will send him a copy—in which I indicated what the present policy was in terms of penitentiary construction.

In checking the statement alluded to I found that the minister rejected the submission of the subcommittee on penitentiaries which suggested that penal institutions should be limited in size to house a population of 220 to 250 inmates. The feeling of frustration and concern expressed by members of the committee recently over the government's attitude to their work and report is understandable in the light of the attitude taken by the minister in that instance.

● (2205)

My second question on February 12 was:

Mr. Speaker, will the minister report to the House on the results of his meeting with the mayors of central and upper Fraser Valley a week ago when the announced changes as they relate to penal institutions in that area were discussed?

The minister's response was totally irrelevant and only substantiated what was already known, that the upper Fraser Valley is a beautiful area in which to live. I should remind the minister of a statement which I made some time ago, that because of the proliferation of penal institutions in the Fraser Valley, residents might soon be forced out to permit the turning of the Fraser Valley into a penal colony.

Perhaps I should compliment the minister on his ability to evaluate the beauties of the area in such a short time, for he did not make himself available to questions at a meeting which was held with the mayors of the municipalities on that occasion. I would like to quote from Abbotsford, Sumas and Matsqui *News* of January 31, part of an article headed "Community Input Heard on Prisons." It reads:

Their boss, Solicitor General Jean-Jacques Blais was conspiciously absent for all but a short luncheon meeting. "He might just as well have stayed in Ottawa!" remarked DeJong, annoyed that Blais had not made himself available.

DeJong is the mayor of Matsqui. The article goes on to read:

It would have been that much better if he had heard the complaints and suggestions directly rather than through staff, he noted.

This indicates that the minister, although he was in the community, did not make himself available to the mayors for questioning and for getting some answers to the problems that were concerning him.

The next question I had hoped to pose was: what consultation took place with the local authorities before the changes were decided upon and announced? I suggest that there was very little, if any, consultation that took place. I have here a letter from James M. Murphy, the regional director general of the Canadian Penitentiary Service, the National Parole Service, to mayor Harry DeJong, under date of December 4, 1978. It starts:

An important announcement will be made shortly by the Solicitor General of Canada regarding the Canadian penitentiary service's construction program.

In order that you may be fully informed of the accommodation plans for the Pacific region, a detailed summary will be forwarded to you the moment such information is available.

The announcement was made on December 12. I am not sure when the mayor received this letter, but it would indicate that he did not have an opportunity to make inquiries or to endeavour to discover just what was involved in the proposed changes.

In this connection I have a letter from the Corporation of the District of Kent to the Solicitor General under date of January 23, of which I would like to read several paragraphs:

This letter is in reference to your December 12, 1978 announcement relating to a revised program for construction of new penitentiaries which program includes renovations and expansions of both institutions within our municipality, namely, Kent and Mountain institutions.

Shortly following your announcement, as mayor, I was contacted by a Vancouver based radio station at which time I declined comment having only heard of the news from the caller. I then contacted one of the local officials of the Canadian Penitentiary Services who promised to secure a copy of the news release for council's information.

At a meeting of the council a letter was approved to be forwarded to the Solicitor General as follows:

That a letter be forwarded to the Solicitor General outlining council's dissatisfaction with the recent announcement regarding the construction program, pointing out the following:

1. Prior commitment to council by Canadian Penitentiary Services to discuss new developments before public announcements.

2. Impact on the community and community opinion, and

3. That not even the employees were aware of these plans, prior to the Solicitor General's announcement;

The letter went on to read:

During discussion on the resolution, it was pointed out that council had been assured by officials of your department that they would be advised of any new development to be carried out at the local institutions prior to any public announcement being made.

The commitment was not kept and they were not advised, prior to this announcement, of just what was involved. So there was no consultation, no agreements, no negotiations, no discussion on additional problems that municipalities would face upon the location or enlargement of these institutions within their borders.

The problems they want to discuss are, first, reclassification to residential assessment rates in the Matsqui case will mean a loss of $45,000 to the municipality. Second, the need for the hospital to take care of inmates under security rather than in local hospitals where people are endangered by these individuals. Third—

The Acting Speaker (Mr. Turner): Order. The hon. member's time has expired.

● (2210)

Mr. Roger Young (Parliamentary Secretary to Solicitor General): Mr. Speaker, I appreciate the opportunity to respond to the issues which the hon. member has raised; perhaps it will help if I give him some background on the announced changes. It is true that the revised construction program announced in early December represents a departure from previous thinking on the size of institutions. A number of important factors influenced the government's decision to build institutions with accommodation capacities ranging up to 350 to 450 inmates, according to the need of the region.

When the Prime Minister (Mr. Trudeau) announced the government's program of economic restraint in August of last year, the Canadian Corrections Service re-examined the previous and very costly construction program. A number of factors, including the size of institutions were considered. It became clear there was no empirical evidence in support of the conclusion that smaller institutions are better able to fulfil correctional objectives than the marginally larger 450 inmate institutions. The results of several studies, both here and abroad, do not appear to indicate that size in itself is the crucial criterion.

Construction of the somewhat larger institutions affords the potential of offering a wider variety of equally high quality programs than does the construction of smaller facilities. We intend to do just this by continuing the policy of providing living units in order to allow close personal interaction between

staff and inmates. Under the revised construction program it is only the number of such living units per institution that will be increased. The size of each living unit will remain unchanged.

Having assured themselves that there is no evidence that program quality is solely or even primarily dependent on over-all inmate capacity, the CCS examined the economic implications of building smaller institutions. Comparative data, holding level of service constant, indicated that the annual operating and maintenance costs in a medium security penitentiary containing 160 inmates are 40 per cent higher than in a penitentiary containing 420 inmates. Similar comparisons with maximum security institutions indicated that the smaller institutions cost approximately 65 per cent more per inmate than the larger institutions. On this basis it was decided that if new institutions are to be built at all they should be designed in such a way that the living unit concept can be introduced in order to maintain program quality, and that inmate capacity could be expanded, should the need arise, to a maximum of 450 inmates.

As a result of restricting the revised capital construction program to these objectives, a number of previously planned institutions were cancelled at a capital cost saving to the taxpayer of $225 million. Even this greatly restricted construction program will be subject to annual review in order to respond to unexpected increases or decreases in inmate population. Furthermore, in response to the specific concern that the building of more maximum security cells leads inevitably to their occupancy, it is our intention to avoid just this danger by taking steps to reduce the proportion of inmates held in maximum custody through such actions as the development of a new classification policy.

It is our hope that many initiatives such as community programming, crime prevention, diversion, alternatives to incarceration, and better classification and preparation for release within our institutions, will bear fruit and enable us to restrict the construction of new capacity even further.

STATISTICS CANADA—VOLUNTARY RESPONSES TO STATSCAN SURVEYS

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, the issue I bring forward tonight is based upon the most fundamental of democratic government principles. It revolves around the relationship of the individual and the state, touching individual liberty, freedom of information, citizens' rights, and the privilege of members of parliament.

● (2215)

Democratic governments evolved originally to protect and to serve individual citizens and their rights and privileges, as opposed to totalitarian regimes which suppress individual liberties.

A recent Gallup poll asked Canadians: "Do you think business, labour or governments constitute the greatest danger to Canada's future?" The new and changed response of Canadians was to identify government as the threat instead of as a protection and service device. Unfortunately the Government of Canada has moved beyond protection and service toward totalitarian suppression of information and legislated compulsion that, rather than protecting, suppresses and persecutes individual liberty and freedom of choice. In this recent poll the public has recognized a reality that has long been recognized by even the most moderate civil libertarians. Individuals are shouting, the majority is no longer silent, but the government is deaf. This phrase is the motto adopted by one of my constituents who has been pursued by the federal government for the last two and a half years for refusing to answer some questions on the 1976 census form. When viewed in the light of her single plight to make this government face the reality that it cannot continue to practise statistical voyeurism at census or any other time, her adage capsulizes much of what I wish to underline here this evening.

Let me now refer specifically to the ominous section 29 of the Statistics Act. It states that any individual who, without lawful excuse, refuses or neglects to fill in, to the best of his or her knowledge and belief, any form distributed under the Statistics Act, may be charged with a summary conviction offence and fined or jailed.

Let us look at some of the questions for which a refusal to answer may bring such a penalty. From the 1976 census form we take this question: "How many visitors or other persons who have a usual home elsewhere in Canada stayed overnight on May 31, June 1?", or "Do you enter your living quarters: by a private entrance from outside; through a common hall or passageway through someone else's living quarters?" Personally, I have no objection to answering these questions, but if I refuse should I be sent to jail or fined?

We in this House have heard many of the questions now being posed to Canadians by the Statistics Canada survey of family expenditures in 1978, in respect of which many people may be charged for refusing to answer, that is, of course, only if the minister responsible is not feeling as benevolent as he was yesterday during the question period when he described his authoritarian concept of selective persecution through selective prosecution.

In order to determine if she was being persecuted or prosecuted, or a little bit of both, and in order to determine whether there was the legal precedence and court transcripts that might have been available to build her defence, Mrs. Sheremeta, who is not a lawyer and in fact does not have the resources to pay a lawyer, attempted to find the answers to some very simple and basic questions. She asked: How many Canadian citizens refused to complete their 1976 census forms fully? Of these, how many refused to give only some information and how many refused to give any answers at all? How many Canadians have been prosecuted under Section 29 of the Statistics Act, and how many have had proceedings started against them as a result of refusing to answer all questions on the 1976 census forms?

As an individual she was denied access to this information even though the information was not considered classified or

secret. She then assumed that if she could not have this information as an individual, then surely her member of parliament could, and she asked me to find the answers to those same questions. I asked for these answers and I, in turn, the member representing Mrs. Sheremeta and thousands of other individuals in Fraser Valley West, was denied access to this very basic and simple information. Information Canada in a letter to me said:

● (2220)

The information you requested was not considered classified or secret by Statistics Canada.

If it is not classified or secret, why can I or Mrs. Sheremeta not have the information? Apparently, the reason is because the Department of Justice decided not to furnish this information, which was conveyed by telephone to my office. The letter goes on to say:

Your office was informed that the prosecution considered the information irrelevant—

If the information was not secret, not classified, and irrelevant to the case, why is Mrs. Sheremeta denied access and why am I, as a member of parliament, denied access to this information? I cannot understand that, and there is no logical answer. In addition to that the letter goes on to say:

—I am informed that the presiding judge was of the same view.

In other words, the prosecution is collaborating with the presiding judge to determine whether or not evidence which we may need or may not need should be released to us. I think that this is a very unfair persecution, not prosecution. Obviously the Crown attorney in the case was either fabricating the truth in some way, or lying in some way, because he said that the material was irrelevant. If it was irrelevant he would have released it to me.

This is just a small example of how the checks and balances so delicately built into our democratic system—

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. member that his allotted time has expired.

Mr. Wenman: Mr. Speaker, may I ask for another two minutes to complete my remarks?

The Acting Speaker (Mr. Turner): Order, please. The Parliamentary Secretary to the Solicitor General (Mr. Young).

Mr. Wenman: Cut off again.

Mr. Roger Young (Parliamentary Secretary to Solicitor General): Mr. Speaker, the Statistics Act does not currently permit Statistics Canada to undertake surveys on an explicit voluntary basis. Nonetheless, for a good number of years, the agency has successfully conducted many surveys, especially those of households, depending almost completely on the good will and voluntary co-operation of respondents. While the Statistics Act provides for the possibility of penalties for non-response, mention of such provisions is carefully avoided to ensure that no perception of threat or intimidation is present. The policy governing the behaviour of Statistics Canada enumerators in this regard is clearly set out in the booklet "Doorstep Diplomacy", which is a guide for interviewers, and reinforced in all training programs. Key passages in that booklet demonstrate the overriding desire of the agency to fulfil its mandate through co-operation, not compulsion.

Statistics Canada is aware, however, of the heightened public concern for privacy and confidentiality in recent years and is mindful of the need to preserve the best possible relations with respondents. The agency has thus undertaken a review of the many issues concerning the explicit use of the voluntary survey technique. After weighing the important considerations, Statistics Canada has determined that legal authority for the agency to conduct surveys on a voluntary basis, when it makes sense to do so, should be granted, and plans are under way to seek appropriate Statistics Act amendments.

Statistics Canada will be responsible for ensuring a careful and orderly implementation of any new voluntary survey authority, in a way that preserves the nation's vital socioeconomic data base. Overly rapid conversion to a system of voluntary surveys, before careful testing of the results, would be irresponsible and could seriously impair the quality of critical data series. In this regard it has long been clearly recognized by all who have examined this issue that no single approach to voluntary response is appropriate for all surveys.

The hon. member for Fraser Valley West (Mr. Wenman) has also made reference to a census case under Section 29 of the Statistics Act, concerning one of his constituents. The decision in that case has been appealed and thus the matter remains before the courts. It is worth noting, however, that in the judgment of the lower court the judge rules on a technicality in the evidence brought forward by the Crown to support the charge. The judge did not dismiss the case on the grounds of compulsory response, invasion of privacy or any of the other submissions made by the accused. The judge stated further that on these matters of legislation, parliament is supreme and the law must be carried out.

The Acting Speaker (Mr. Turner): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until 2 p.m. tomorrow.

Motion agreed to and the House adjourned at 10.22 p.m.

HOUSE OF COMMONS

Wednesday, February 21, 1979

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

NATIONAL UNITY

ASSERTION THAT BOUNDARY BETWEEN NEWFOUNDLAND AND QUEBEC NOT NEGOTIABLE—MOTION UNDER S.O. 43

Mr. James A. McGrath (St. John's East): Mr. Speaker, I rise, under the provisions of Standing Order 43, to move a motion of urgent and pressing necessity.

In view of the statement in the February edition of *Reader's Digest* by the Minister of Justice (Mr. Lalonde) that—

—four-fifths of the Parti Québécois program . . . can be implemented within the federal system and the remaining fifth can be negotiated—

—and in view of the claims by the PQ government to a large part of the territory of Newfoundland as spelled out in article 6 of the PQ manifesto, I move, seconded by the hon. member for St. John's West (Mr. Crosbie):

That this House rejects the claim of the PQ government of Quebec to any part of the territory of the province of Newfoundland and, furthermore, that it is the opinion of this House that the boundary between Newfoundland and Quebec as established by the Privy Council decision of 1927 and as set out in the BNA Act is not negotiable.

Mr. Speaker: The introduction of such a motion for debate at this time would require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE CANADIAN ECONOMY

GOVERNMENT RESPONSE TO RECOMMENDATIONS OF OVERVIEW COMMITTEE REPORT—MOTION UNDER S.O. 43

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that the federal government released today its response to the recommendations of the labour-business Overview Committee reviewing the industry sector task force reports in which 500 Canadians participated, and in view of the fact that the economic ministers of the Crown responsible for these matters are not here, I move, seconded by the hon. member for Don Valley (Mr. Gillies):

That this House condemns the government for its mishandling of this matter and in particular for its responding in a manner which appears to be more political than factual, leading the CLC to call the response a self-serving pre-election document which amounts to a breach of faith with private sector participants and to suggest the possibility that the CLC might withdraw from the whole process.

Mr. Speaker: This motion can be put at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

LOTO CANADA

REQUEST FOR AUDITOR GENERAL'S INVESTIGATION INTO FINANCIAL AFFAIRS—MOTION UNDER S.O. 43

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I rise under the provisions of the same Standing Order.

In view of the report on the CBC news last night, and the confirmation today of the Minister of State (Fitness and Amateur Sport) (Mrs. Campagnolo) that the squandering of taxpayers' money as a result of mismanagement in Loto Canada has increased from $800,000 in early December to a now scandalous $8 million, and since in this House on December 5 in reference to the issue the minister stated, "I am only an $800,000 woman," I move, seconded by the hon. member for Broadview (Mr. Rae):

That this House requests the Auditor General to investigate the financial calamity of Loto Canada and to report on what has happened in two months to change the Minister of State (Fitness and Amateur Sport) from an $800,000 woman to an $8 million woman.

Mr. Speaker: The introduction of such a motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

[*Translation*]

FINANCE

REQUEST FOR ESTABLISHMENT OF ORGANIZATION RESPONSIBLE FOR ISSUING AND CIRCULATING MONEY—MOTION UNDER S.O. 43

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I rise under the provisions of Standing Order 43 in connection with a matter of urgent and pressing necessity.

Last Monday the President of the Treasury Board tabled the 1979-80 estimates in the House of Commons. Those estimates reveal that the government expects to pay $8.35 billion in interest on the total debt, which represents a rise of 18.9 per cent over the previous year. Since those interest charges on the debt account for 16.5 cents of every dollar spent by the government, I move, seconded by the hon. member for Villeneuve (Mr. Caouette):

That the House request the establishment of a public financial organization responsible for issuing and circulating all currency and credit necessary for a satisfactory operation of the Canadian economy; that no interest be levied on the issuance of any new credit so as to free Canadians from the burden of public borrowings abroad and excessive interest charges on those loans.

Mr. Speaker: Pursuant to Standing Order 43, such a motion can be introduced for debate only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

● (1410)

[*English*]

Mr. Speaker: The hon. member for Peace River (Mr. Baldwin).

Some hon. Members: Hear, hear!

* * *

ADMINISTRATION OF JUSTICE

GOVERNMENT'S INTENTIONS RESPECTING APPEAL IN CASE OF PETER TREU—MOTION UNDER S.O. 43

Mr. G. W. Baldwin (Peace River): Mr. Speaker, in spite of the notable lack of applause from the other side, I still hope there will be some suitable disposition in respect of this issue.

Under the same Standing Order, I should like to propose this motion. In light of the unanimous decision of the Quebec Court of Appeal setting aside the conviction of Peter Treu and the circumstances of that decision, I move:

That this House requests the government to forthwith indicate the decision will not be appealed and to consider what action can be taken to make compensation to Mr. Treu for the personal, professional and financial damage he has sustained over the last few years as the tragic result of the investigation, trial and appeal during that time.

Some hon. Members: Hear, hear!

[Mr. Speaker.]

Mr. Speaker: Order, please. In accordance with the provisions of Standing Order 43, such a motion can be presented for debate at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PUBLIC SERVICE

FINGERPRINTING OF PUBLIC SERVANTS IN NON-SECURITY POSITIONS—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise on a matter of urgent necessity pertaining to the fingerprinting of public servants in numerous departments, including recent activities in the Department of External Affairs and, in particular, fingerprinting that took place in the past two weeks at the Bourque Building, 305 Rideau Street, of certain members of the national headquarters' staff of the Canada Employment and Immigration Department.

I would move, seconded by the hon. member for Red Deer (Mr. Towers):

Whereas question No. 9 on the order paper, asking for details of the massive fingerprinting being surreptitiously conducted by the government of public servants in non-security positions, has remained unanswered for two years, and in view of these latest serious incidents, the Prime Minister be required to issue a statement of government policy on the fingerprinting of public servants which appears to constitute a horrendous governmental invasion of privacy and resembles undemocratic procedures practised by fascist and communist police states.

Mr. Speaker: Is there unanimous consent for the presentation of such motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

HOUSE OF COMMONS

REQUEST HOUSE GIVE MORAL SUPPORT TO MR. SPEAKER IN IMPROVING HEALTH CONDITIONS OF "HANSARD" OFFICES—MOTION UNDER S.O. 43

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, pursuant to the terms of Standing Order 43, I make the following proposal:

As the physical and ambient environment influence both the quality and the amount of work produced, as small, unhealthy and polluted offices are harmful to the health of workers, and as the Abbott Commission on Parliamentary Accommodation recommended, as a priority, a marked improvement in the offices of the employees of the House of Commons assigned to

Hansard, I move, seconded by the hon. member for Ottawa-Vanier (Mr. Gauthier):

That this House grant its moral support to the Speaker of the House of Commons in order that during the coming election period those offices be enlarged or the *Hansard* staff relocated with a view to respecting at least the minimal standards for a healthy work environment that usually apply in the private sector.

Mr. Speaker: Pursuant to Standing Order 43, such a motion cannot be put without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Motion agreed to.

• (1415)

ORAL QUESTION PERIOD

[*English*]

LOTO CANADA

REPORTED WASTE RESULTING FROM ALLEGED MISHANDLING OF LOTO SELECT PROGRAM

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is directed to the Minister of State (Fitness and Amateur Sport) and it concerns the government's abortive attempt to set up a computerized lottery last year.

Can the minister confirm the report which was on the CBC national news last night, that the waste as a result of the government's mishandling of the Loto Select program will total some $13 million, with almost $8 million being put up by the federal government and over $5 million being paid by the provinces?

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I can confirm the report. I have said I would table it in the House of Commons and it is my intention to do so today. For once the CBC got the correct figures, so I can say that it is a total of $13.2 million of a committed contract of $60 million.

An hon. Member: Shame.

Mrs. Campagnolo: The provinces of Ontario and Quebec will pay $5.15 million and Loto Canada will pay $7.97 million. The hon. member should think about his comment with regard to wastage, because this $8 million has purchased a profit for Loto Canada and, therefore, for all the people of Canada.

Some hon. Members: Oh, oh!

Mr. Beatty: Mr. Speaker, surely this is the first minister of the Crown in the history of Canada who would brag about wasting $13 million belonging to the people of Canada. The minister has so far refused to tell the House whether or not, knowing that the Loto Select program might never get off the ground, she at least had the common sense to insert into contracts with suppliers a cancellation clause that would allow her to escape.

On December 6 and December 7, the minister gave a firm undertaking to the House that she would table those contracts in the House upon termination of the contracts. Will the minister now table those contracts and, further, will she tell the House specifically if she at least had the common sense, when dealing with millions of dollars of Canadian taxpayers' money, to include cancellation clauses in the contracts and, particularly, in the multimillion dollar contract with General Instruments Ltd.?

Mrs. Campagnolo: Mr. Speaker, I think that I am the first cabinet minister who has ever made profits like $200 million.

Some hon. Members: Hear, hear!

Mr. Nowlan: Ho, ho. The $200 million woman.

Mrs. Campagnolo: A sexist remark from the hon. member for Annapolis Valley.

Mr. Nowlan: The minister of fun and games.

Mrs. Campagnolo: As to the question, the signed document is a commercial document for General Instruments, and even though it is cancelled it still retains its commercial proprietary confidentiality. Therefore, the people, who are the taxpayers, might be liable for damages if I were to make this particular contract public at this time.

As to the hon. member's second question with regard to the commitment by Ontario and Quebec, it is in like space: the commitment will be met on March 5 after which, and with their concurrence, I would consider tabling it.

Mr. Beatty: Mr. Speaker, we are told that the cover-up will continue for at least several more weeks. In the four months which elapsed between the time the minister announced the birth of this abortive Loto Select program in June, and the date in October when she announced its death, she managed to squander public funds, of which she was the trustee, at a rate of more than $75 a minute, 24 hours a day, seven days a week.

In view of this fact, is the minister now prepared to take the only honourable course of action open to her and submit her resignation from the cabinet?

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member for Oxford.

GRANTS TO SPORTS ORGANIZATIONS

Mr. Bruce Halliday (Oxford): Mr. Speaker, I am sorry that the minister refused to answer that last question.

Mr. Speaker: Order. The House should know that the question was clearly argumentative and that I did not permit the minister to answer.

● (1420)

Mr. Halliday: My question is directed to the Minister of State (Fitness and Amateur Sport). Since the $13 million of public funds which the minister squandered on behalf of the federal government and two provincial governments is almost one-half of her total budget for this coming year, does this gross error account for the fact that she had to completely withdraw support for six provincial organizations responsible for sport and recreation for the disabled?

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, it accounts for the fact that beginning January 1, 1980, there will probably be $40 million for sport at the national level and $40 million for the arts at the national level. If we had listened to the hon. member's colleagues or, in fact, to some of the lottery ministers of the Conservative provinces, there would be no Loto Canada today.

Let us get the facts straight. Each of the two parties gave up two items. The provinces surrendered the principle which they had been maintaining, that the provincial lottery should be exclusive in this country. They gave that up to allow Loto Canada to continue in an agreement of which the hon. member has a copy. In addition, they gave up $5.15 million. Loto Canada, on its side, surrendered the $1 lottery and we gave up $7.97 million to ensure that, unlike the Leader of the Opposition who in Vancouver last week said that he would end Loto Canada.

Some hon. Members: Order.

An hon. Member: Resign.

Mrs. Campagnolo: That would have cost the people of Canada, as a national purpose, $72 million this year. Therefore, I say the absent Leader of the Opposition would have cost national purposes—

Mr. Speaker: Order, please.

An hon. Member: Now we know what a non-answer is.

Mr. Halliday: A supplementary question to the minister, Mr. Speaker. The Minister of State (Fitness and Amateur Sport) seems to be implying that the new policy of the government, in order to reach agreements with the provinces, is to waste a considerable amount of public funds.

May I ask the minister if she now concedes that she made an error of decision in entering into the ill-fated contracts for Loto Select, when at the very same time she was announcing reductions in grants to many worth-while national organizations such as the Red Cross, the YM-YWCA, the Girl Guides and the Boy Scouts?

Mrs. Campagnolo: Mr. Speaker, I would repeat to the hon. opposition critic that the money has been spent as an investment to keep Loto Canada at the national level. I think hon. members opposite know that their leader is determined to become the eleventh premier of this country by getting rid of national enterprises such as Loto Canada, Petro-Canada and probably anything else of national import.

To answer the hon. gentleman's question in which he said that the YM-YWCA, water safety courses and other things, have not received funding from me this year, I must say he is quite correct. That is the result of a federal-provincial conference where the provinces asked for the right to have these things under provincial purview. We did yield to that request, but we did maintain our purview in fitness and sport and at the national level.

[Mr. Speaker.]

MINISTER'S CONSULTATIONS WITH PROVINCES RESPECTING LOTTERIES—REQUEST FOR AUDITOR GENERAL'S INVESTIGATION OF LOTO CANADA

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I should like to direct some questions to the Minister of State (Fitness and Amateur Sport). I should like to take her back to the source of the loss. A loss is a loss, no matter what she says.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Leggatt: Not all the way back. My question deals with the consultations the minister had with her provincial counterparts with regard to Loto Canada. There were several meetings, some in June and some later, which dealt with the question of Loto Select. Can the minister advise whether she had any agreement from the provincial governments before she went into this scheme which has squandered some $13 million of federal tax money?

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, if I had any proper co-operation with the provinces, I doubt very much that we would have had to go to these lengths of competition.

Some hon. Members: Oh, oh!

Mrs. Campagnolo: The hon. member who is from British Columbia should know that it was our province of British Columbia that refused to attend the conference; our province that refused and broke the conference that was scheduled for September, 1977. I am quite sure that if that conference had taken place, the $1 lotteries would never have been undertaken as they were.

I do not know what the hon. gentleman intends with the rest of his question. He knows very well that the meeting in June was one where the federal government, through Loto Canada, offered the provinces 50 per cent of our profits. The provinces did not want 50 per cent of our profits; they wanted 100 per cent, which we were not willing to give. Eventually, after bilateral discussions—

Some hon. Members: Order.

Mrs. Campagnolo: —with the provinces, we gave them 50 per cent of our product. I think that is a fair and equitable arrangement in the circumstances.

• (1425)

Mr. Leggatt: Mr. Speaker, the minister should have been perfectly aware that the refusal to attend that conference was a clear indication the provinces would have nothing to do with her scheme, and yet she proceeded to squander public money. Those are the facts.

My question is this. Given the admitted loss that has been confirmed of $8 million at the federal level, has the minister recommended, or is she recommending to cabinet that there be a specific reference to the Auditor General so that he can have a clear, intensive investigation into where this public money has been squandered and why it is so much?

Mrs. Campagnolo: Mr. Speaker, I am sure the hon. member realizes that only one province refused to attend the conference and the other nine provinces were in favour of attending the conference in September of 1977—

An hon. Member: Order.

Mr. Fraser: Did you waste the money, or did you not?

Mrs. Campagnolo: —which I think would have made it possible for this to go ahead.

Some hon. Members: Oh, oh!

Mrs. Campagnolo: I beg your pardon, Mr. Speaker; I do hope that I have the floor for a few moments to answer the question.

Some hon. Members: Hear, hear!

Mrs. Campagnolo: Obviously, the hon. member for New Westminster is concerned that this amount of money has been invested to retain Loto Canada. He seems to believe it should have been given over to the provinces. It was not; it has been shared. The province of Ontario and the province of Quebec are partners with us in this, and the other provinces in this country do not have any competition in the $1 lottery, which is part of the agreement.

Mr. Leggatt: Mr. Speaker, the minister should also be aware that her scheme is drying up numerous private lottery, charitable schemes in the country.

My final supplementary question is this. Perhaps the minister could be specific in terms of the waste in the city of Vancouver of the $160,000 lease for the useless office space in Vancouver and the $300,000 for mothballed furniture. Has that now been marketed, or is it still sitting there as an albatross around the neck of the taxpayers in downtown Vancouver?

Mrs. Campagnolo: Mr. Speaker, the facts are all contained in the report that I will table today. I am sure the hon. member will be pleased to know that all those matters have been dealt with and are successfully settled.

I do wish, Mr. Speaker, that he would not fight his campaign for the British Columbia election on the floor of this House.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

An hon. Member: Shame on you.

* * *

[*Translation*]

CRIMINAL CODE

REQUEST FOR DECRIMINALIZING OF POSSESSION OF MARIJUANA—MINISTER'S DISCUSSIONS WITH CERTAIN MEMBERS

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I would like to direct my question to the Minister of Justice. This morning I read an article in an English newspaper which said that I had prevented the minister from introducing a bill decriminalizing the possession of marijuana, a bill which would have changed the approach taken about this drug in the Criminal Code. Could the minister tell us whether he meant that all of a sudden I was influential enough to stop him or whether he was trying to convince the media that I should have voted for a bill I had not even read?

Hon. Marc Lalonde (Minister of Justice): The hon. member will recall that in a conversation with him, I asked him if his party would be willing to support an amendment to the Criminal Code which would have the effect of reducing the penalties for possession of marijuana and more particularly of eliminating criminal records for that offence. The hon. member will recall he indicated then that his party preferred to keep the law as is it now without changing it. Therefore, when journalists asked me about that, I told them that unfortunately there was not general agreement in the House to proceed expeditiously with the consideration of amendments which could have been proposed. I think that I reflected very accurately the conversation I had with the hon. member and, as I see his colleagues nodding, I think that is indeed the policy of his party.

Mr. Beaudoin: Mr. Speaker, I have a supplementary question. I am somewhat distressed by the fact that we have not had the opportunity to look into the amendments the minister has been advocating and I suggest we should have had the opportunity to do so before coming to a decision. If he means that they wanted to maintain criminal files on all young people involved in drug taking, I think it would have been possible to demonstrate some open-mindedness. On the other hand, I resent the fact that newspaper articles do not reflect the discussion.

Mr. Lalonde: If the hon. member is now saying that he is prepared to have the legislation amended, although he had indicated during our discussions that he was in favour of maintaining the legislation as it now exists, I shall be pleased to discuss this issue further with him. If he now wants a similar legislation to which he can refer, I suggest to him Bill S-9 which I tabled in the House about two years ago. It had been introduced in the Senate, and perhaps the hon. member might direct his remarks to me in light of that bill.

Mr. Beaudoin: Mr. Speaker, one last supplementary question. I suggest that the minister wants to mislead the House, for I have never said that I did not want to read it and I did not mean that we did not want to look into it; what I said was that we were not prepared to rush this bill through but that we were willing to discuss it. It is quite the contrary.

Mr. Lalonde: Mr. Speaker, I suddenly realize that it is becoming increasingly difficult to find out whether the hon. member's party is for or against the proposed amendments to this legislation. When I met him he simply indicated that his party would rather keep the Criminal Code as it now stands. Now, if the hon. is saying that his party is willing to change its position, I shall be pleased to discuss further this issue with him.

* * *

● (1430)

[*English*]

THE CANADIAN ECONOMY

GOVERNMENT RESPONSE TO RECOMMENDATIONS OF OVERVIEW COMMITTEE REPORT

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in the absence of nine of the ten members of the Board of Economic Development Ministers of this country who just gave a 46-numbered response to the recommendations of the Overview Committee dealing with industrial sector studies in this country, my question will be to the Deputy Prime Minister who happens to be the tenth member of that board.

Is the Deputy Prime Minister aware of the fact that a meaningful comment of the Overview Committee was with regard to the urgency of having full employment in this country and the suggestion that the government should work to a full employment policy, and that notwithstanding that recommendation there was no response from the federal government with respect to this urgent matter?

Hon. Allan J. MacEachen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I have a copy of the response of the government to the proposals, recommendations or views of the Overview Committee. I realize that not all of the recommendations that have been made by the Overview Committee have been accepted by the government. Most of them have been accepted. Some of the recommendations must be responded to by provincial governments because they are under provincial authority.

Maybe the hon. member can indicate precisely what recommendation has not been responded to and I will attempt to explain to him the reason for that. I would say, however, that as one looks at the table of contents, almost each and every one of the subjects has either a direct or an indirect bearing upon the pursuit of full employment. Of course, the whole purpose of the exercise was to promote economic growth in Canada as recommended by the committee and supported by the government.

Mr. Stevens: I refer the Deputy Prime Minister to the Overview report on manpower, where it states that "manpower policy should be, in the view of the committee, a full employment policy". There was no response by the federal government to that recommendation. Will the Deputy Prime Minister indicate whether the government in truth believes in full employment in this country and yet does not have a policy to deliver full employment?

Mr. MacEachen: Mr. Speaker, it seems rather curious that the hon. member would ask the Government of Canada whether it believes in a full employment policy. One of the main objectives of the financial and fiscal policy of the government is to promote increasing employment in Canada, as witnessed by the rather remarkable performance of the economy in the past year in producing additional jobs. However, I would say to the hon. member that on page 15 of the report, continuing the dialogue on industrial growth, there is a very extensive commentary on the part of the government to the recommendations of the Overview Committee on the question of manpower and labour relations.

Mr. Stevens: Is the Deputy Prime Minister aware that the Canadian Labour Congress took great exception, in a press release released at eleven o'clock this morning, to the government's response with regard to their Overview recommendations, stating that the government's response is a "pre-election document that amounts to a breach of faith with private sector participants," and are even suggesting that the Congress may reconsider its participation in future exercises of this type?

If the minister is aware of that comment by the CLC, can he explain his earlier remarks to the House? Second, is he going to take any steps to try to ensure that the CLC does not pull out of the process, as it is suggesting it might do?

Mr. MacEachen: Mr. Speaker, I was not aware of the attitude of the CLC to this response of the Government of Canada until the hon. member for York-Simcoe drew it to the attention of the House. Indeed, it would be a matter of regret if the Canadian Labour Congress withdrew from this consultative process, which was novel, imaginative and useful and which involved not only the Congress but representatives from the academic community and industry.

I believe that any fair-minded citizen who reads this report would be stretching his imagination to conclude that it in any way represented a pre-election document. It was a government

response to the views that were expressed by the Overview Committee. I can imagine the howls of protest we would hear from the hon. member if the government failed to make a considered response to the recommendations of the Overview Committee. This is a very serious response and ought to be regarded as such. I am surprised that it could or would be interpreted in any way as a pre-election document.

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ADMINISTRATION OF JUSTICE

GOVERNMENT'S INTENTIONS RESPECTING APPEAL AND REPARATION IN CASE OF PETER TREU

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Minister of Justice with regard to the Peter Treu case. While I assume the minister has not yet had a chance to obtain and read the full record of the reasons for judgment, I imagine that as a good minister he at least telephoned and knows some of the reasons for judgment.

While the minister did not have the chance to hear the appeal, as I did, I would ask if he would, under the conditions that exist, make a clear statement that it is not the intention of this government to appeal that decision, and that the government will give very serious consideration to the question of making reparation for the very tragic and serious damage which has been sustained by Dr. Treu as a result of the experiences which, from my observation in reading the evidence, appear to result from bureaucratic bungling and ineptitude.

Hon. Marc Lalonde (Minister of Justice): Mr. Speaker, I would advise the hon. member that we obtained a copy of the judgment at noon today. I instructed the law officers of the Crown to examine this judgment immediately and to report to me as expeditiously as possible. I expect to be able to answer the hon. member very soon indeed.

As to the second part of his question, I would indicate to him, as I am sure he knows, that in that instance, as in many other instances of prosecutions before the courts, there was a preliminary inquiry at which a prima facie case was found with regard to the possibility of an offence having been committed. Second, there was a judgment at the trial division convicting of an offence. This judgment has now been reversed by the Court of Appeal. That is where the matter stands at this time. This is the way the rule of law applies in this country.

Mr. Baldwin: Before making a decision in that regard, I trust the minister will bear in mind that investigations were launched and took place over a year and a half, costing several hundred thousand dollars. The government was prepared to spend that much money in this case.

My supplementary question is this. Bearing in mind that this decision follows several decisions of courts in the United Kingdom dealing with the Official Secrets Act, and that in both countries the courts have universally taken exception to the rather heavy-handed and frequently intimidating and discriminatory use of the Official Secrets Act by governments in both countries in using this act, will the minister agree with the words of one British justice that it is about time parts of this act should be pensioned off?

● (1440)

Would he also agree that a committee should be appointed to examine these decisions and this act and recommend to the House that this medieval legislation be brought into conformity with modern ideas of equity and justice?

Mr. Lalonde: As the hon. member has indicated, the Official Secrets Act goes back many years in both countries. At the present time, a committee of officials is at work reviewing the Official Secrets Act. It has been engaged in this work for the last few months. I hope its review will be concluded in the next while and that it will lead to proposed amendments which would be brought before the House for study and improvement if possible.

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NATIONAL REVENUE

ALLEGED DUMPING OF SOVIET-MADE AUTOMOBILES ON CANADIAN MARKET—REQUEST FOR INVESTIGATION

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, my question is for the Minister of National Revenue, but in his absence I will direct it to his parliamentary secretary.

In view of the fact that Soviet-made Lada automobiles are selling on the Canadian market for approximately $4,000 each, and that apparently the retail price in the Soviet Union is approximately $10,000, would the hon. gentleman have this matter investigated and, if the price gap is confirmed, take the necessary steps leading to the imposition of anti-dumping duties on these cars?

[*Translation*]

Mr. Yves Demers (Parliamentary Secretary to Minister of National Revenue and Minister of State (Small Business)): Mr. Speaker, I want to advise the hon. member that there has been no formal investigation to determine if there is dumping of these vehicles. This type of investigation under the Anti-dumping Act would normally be undertaken at the request of Canadian vehicle manufacturers. To date, there has been no such request.

* * *

[*English*]

THE CANADIAN ECONOMY

GOVERNMENT RESPONSE TO RECOMMENDATIONS OF OVERVIEW COMMITTEE REPORT

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I should like to return, if I may, to the subject of the

Tier II report and direct a further question to the Deputy Prime Minister. Surely he would agree that the 500 men and women from the private sector and the labour sector who participated in this review are fair-minded men and women of considerable judgment.

I ask the minister whether, in response to the very serious charges made, he is not at least prepared to admit that the principal recommendations in the report have been treated somewhat lightly and that by agreeing in principle, or in part, and then going on to say that steps are already in place to achieve the goal sought by the recommendations, the government has jeopardized the services of people of some distinction in the two sectors concerned?

Hon. Allan J. MacEachen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I readily agree with the hon. member that the 500 persons who took part in the examination of the 23 sectoral studies were serious and that they made a very good contribution. Their recommendations were considered and the government has made a careful response to each of them.

I believe that if the hon. member examines the situation, he will find that in many instances recommendations or views put forward by the Overview Committee were accepted by the government either in whole or in part. In other instances it was found that ideas put forward by the committee were already in effect or were capable of implementation through current programs. I, personally, do not find any basis for complaint against the government for making a careful and serious response to the Overview Committee. We believe the recommendations were important but we believe the consultative process is equally important.

We shall do everything possible to remove any misunderstanding which may have accounted for some of the reports which have been made to the House today, because I believe only a misunderstanding could be the basis for the kind of criticism we have heard.

Mr. Forrestall: Surely the members of the Overview Committee were aware, for example, of the existence of the document "Energy Strategy for Canada—A Policy for Self-Reliance" when they recommended that a national energy policy be developed by the federal government in consultation with the provinces and the industry concerned. Surely the minister will accept that the ladies and gentlemen connected with those sectors of our economy were fully aware of that document and yet, believing it was not sufficient to meet present Canadian requirements, put forward recommendations calling for the development of an energy policy.

Why would the government shoot it down? Why does the government persist in terming it a misunderstanding, if it accepts the proposition that the Overview Committee is composed of well-informed men and women and that its opinions are important?

Mr. MacEachen: I have never attempted in my answers to escape from the fact that in certain instances there is a difference of opinion between the views of the Overview Committee and the view of the government. The Overview Committee stated its belief that the government ought to develop what it called an energy policy. We have countered and replied by saying that there are in place the elements of an energy policy as set out in "Energy Strategy for Canada—A Policy for Self-Reliance."

We have also pointed out that in certain areas of the proposals made by the Overview Committee, there are strong differences of opinion among the provinces as to which policies ought to be followed, for example, with regard to pricing, and that it is not possible in certain instances for the government to move forward with the unanimous support of the provinces. Only yesterday we noted how difficult it was for members of the opposition to put together an energy policy on pricing as we heard from western and eastern members who were taking somewhat different views.

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CORPORATE AFFAIRS

REQUEST THAT LARGE CORPORATIONS BE PREVENTED FROM PROFITEERING

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. An hour ago Statistics Canada reported that industrial corporate profits in the final quarter of last year, 1978, went up by an astounding 39 per cent, based on increased sales of only 13.6 per cent.

In light of the fact that the cost of living went up by 8.9 per cent and that the average wage increase was only about 6 per cent, and bearing in mind the desire of the Prime Minister that all Canadians restrain their incomes, I should like to ask the minister whether he will now urge the large corporations of this country to rescind price increases which result in large, usury-type profits?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): I do not know what report the hon. member is referring to, but I received a report at noon put out by the Anti-Inflation Board, entitled "A Study of Profits and Profit Margins in the Food Industry." It does not say what the hon. member says. It is an update of the report the AIB made last fall. It says that over-all food processing industry sample profit margins remained unchanged at 3.3 per cent for the nine-month period ending September, 1978.

With respect to food distribution, it says the profit margin for the first nine months of 1978 averaged 1.30 per cent, up from 1.21 per cent in 1977. This compares to 1.67 per cent over the period 1971-1977. There are increases, but not of the kind mentioned by the hon. member. Further to his question, we do intend to hold meetings with people in the food industry to discuss some of these problems.

Mr. Nystrom: At one time the minister used to say he would look into things. Now, he cannot even hear. My question

related to a report from Statistics Canada which came to me at about one o'clock. It reported that industrial corporate profits in general had risen by 39 per cent in the fourth quarter of last year. Will the minister now urge the corporations to rescind price increases which have led to profits of this type which can be described as usurious?

● (1450)

Mr. Allmand: I apologize to the hon. member, I thought he was referring to profits in the food industry. Sometimes it is difficult to hear in the House. I have not yet seen the report to which he referred. I would like to read it before making any statement on it.

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HOUSE OF COMMONS

REPORT OF OVERVIEW COMMITTEE—REASON FOR ABSENCE OF MINISTERS

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I have a question for the Deputy Prime Minister who in responses to questions by the hon. member for York-Simcoe and others has demonstrated his lack of knowledge with respect to the report and therefore demonstrated a lack of seriousness in the government's response to the report.

My question to him is this. In a matter as serious as this, dealing with the economics and future of this country and supposedly continuing the dialogue, as the government has put it, would the minister explain why the House of Commons, on the date when this document is released, is faced with the absence of nine economic ministers plus the Prime Minister? If there is a reason why those nine economic ministers are missing, I certainly would like to hear it and so would the country.

Hon. Allan J. MacEachen (Deputy Prime Minister and President of Privy Council): Mr. Speaker, I accept any criticism the hon. member might make about my lack of knowledge on this or any other subject, but I would point out to him that my responses were based on the report itself, unlike the questions that were asked by his colleagues which were based totally on the press release of the Canadian Labour Congress.

Some hon. Members: Hear, hear!

Mr. MacEachen: I believe if the opposition had any knowledge of this subject, they might be able to develop independent questions instead of relying on what might be construed by some people as a not entirely non-partisan document.

The Prime Minister and nine economic ministers are in the city of Toronto today on public business—

Some hon. Members: Oh, oh!

Mr. MacEachen: —meeting, today and tomorrow, with quite a large number of public interest groups. Of course, the President of the Board of Economic Ministers made this particular report public today, which I hope will be a matter of broad public discussion.

Mr. Baker (Grenville-Carleton): The economic life of this country is extremely important and I would think the government would await the presence of these economic ministers in the House so they could be questioned on the day the report is released.

There is another matter, however. Has the government, in this report, conspired to mislead the people in this country with respect to the work of this government; and I deal with the whole question of the commodity tax revenue? The government in its response has implied, at page 25, that this committee has a reference to deal with the commodity tax review. In fact, we have tried to get the government to put in a reference, and they have said, "After the committee has finished its review." The government has attempted to imply that the commodity tax review is before parliament. That is not true.

Some hon. Members: Question.

Mr. Baker (Grenville-Carleton): When does the government intend to move on that review?

Mr. MacEachen: In reply to the hon. member, I would like to say that my reading of the report controverts entirely the implication which the hon. member has drawn.

Some hon. Members: Hear, hear!

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RAILWAYS

RESTORATION OF RAIL LINK BETWEEN NORTHERN AND SOUTHERN ONTARIO

Mr. B. Keith Penner (Thunder Bay): Mr. Speaker, I have a question for the Minister of Transport, but in his absence I will put it to his parliamentary secretary.

I should like to know whether the Minister of Transport is aware of the serious problem which has been created by the VIA Rail schedule for those people in northern Ontario who live along the CNR main line west of Capreol. Access by rail to Toronto, the political and commercial capital of the province, has become difficult and at times nearly impossible because of inadequate transfer arrangements. What action is the Minister of Transport able or willing to take to help restore an essential rail link between northern and southern Ontario?

Mr. Charles Lapointe (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the minister has been made aware of the situation and has requested VIA Rail to look into it. VIA officials, I have been told, are studying the problem now and any change which would be requested would be referred to the CTC for approval.

[*Translation*]

NATIONAL UNITY

REPORTED STATEMENT OF MINISTER OF JUSTICE

Mr. Roch La Salle (Joliette): Mr. Speaker, my question is directed to the Minister of Justice.

It has to do with a minor mathematical problem. The minister will enlighten the House. Yesterday the minister answered questions asked by my leader and by the hon. member for Kingston and the Islands. I think I saw the article published in the *Reader's Digest* which mentioned four-fifths of the program of the Parti Québécois and another fifth, which equals 100 per cent, in my view. To that the minister answered that it is out of the question to negotiate sovereignty. So I would ask him today—because he certainly had time to read that article—whether he can tell us if the newsman reported his statement accurately and, if not, I would let him answer my question?

Hon. Marc Lalonde (Minister of Justice): Mr. Speaker, the answer is no, and I gave notice to the House that I would raise a question of privilege at 3 p.m. on that matter.

Mr. La Salle: I have a supplementary, Mr. Speaker.

When the minister says the answer is no, does that mean that the newsman did not accurately report his statements?

Mr. Lalonde: Mr. Speaker, I shall demonstrate that at three o'clock.

* * *

[*English*]

THE CANADIAN ECONOMY

OVERVIEW COMMITTEE REPORT—CRITICISM OF CLC TO RESPONSE OF GOVERNMENT

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I have a question for the Deputy Prime Minister who in answer to one of my colleagues earlier today with respect to the Overview Committee report on labour and business said that a careful and serious response has been given to that report. The Deputy Prime Minister went on to talk about the consultative process.

In view of the fact that the CLC stated today that the federal government never gave the Overview Committee the opportunity to have a detailed dialogue on its report in the long discussions that went into the construction of its recommendations, is the Deputy Prime Minister saying that there was a careful and serious response through the consultative process, or is he saying that the CLC statement is false?

Hon. Allan J. MacEachen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I gather that the debate would be about what constitutes a detailed examination or a detailed dialogue, but the hon. member should recall the nature of this process. It began with 23 sectoral studies which were launched by the Prime Minister and the provincial premiers. These sectoral studies were then examined by the Overview Committee, which made recommendations on the sectoral studies. They were presented to the government, and it is at this time that the government has prepared its response to the recommendations.

If the hon. member reads the report, he will understand that it is a careful, well developed response to these serious recommendations. This is but one step in the dialogue. The hon. member should look at the title of this document, which is "Action for Industrial Growth—Continuing the Dialogue". The dialogue has not ceased and it is hoped that those who participated in the Overview Committee will continue the dialogue by making their response to what is contained in this document.

Mr. Fraser: Mr. Speaker, the Deputy Prime Minister said that this is just one step in the dialogue. For a number of years we have been hearing from the government about steps in the dialogue with labour, the result of which has been the withdrawal of labour from the Economic Council of Canada and from the Canada Labour Relations Council, and now the warning that the Congress, as is stated in its press release, is forced to reconsider its participation in future exercises of this type.

Is the Deputy Prime Minister prepared to make a commitment, now, to meet again with the labour and business side to reconsider what is clearly, on the basis of the allegations that have been made today, a shallow and inconsiderate response to the Overview Committee?

● (1500)

Mr. MacEachen: Mr. Speaker, I reject entirely the hon. member's description of this particular report. It is the very opposite of a shallow and superficial document. If it had been regarded as such by the Canadian Labour Congress, the Congress would not have reacted so strongly and politically by describing it as a pre-election document. One does not describe a document as being shallow and superficial unless one finds something very worth-while in it.

Some hon. Members: Hear, hear!

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NATIONAL DEFENCE

SUGGESTION OVERSEAS ARMED FORCES PERSONNEL RECEIVE FREE MAILING PRIVILEGES

Mr. Peter Elzinga (Pembina): Mr. Speaker, my question is for the Minister of National Defence. In view of the fact that certain of our armed forces personnel posted overseas have free mailing privileges, will the minister advise the House whether he has had any discussions with the Postmaster General with a view to offering all armed forces personnel posted overseas free mailing privileges?

Hon. Barney Danson (Minister of National Defence): Mr. Speaker, I am unaware of free mailing privileges which are available to the armed forces. Armed forces personnel are treated in the same way as any other citizen of Canada abroad. I would be happy to look into this matter to see the import of the hon. member's question, but I do not think this is a step which would be recommended at this time.

The armed forces are paid well. They are paid at the same level as the public service of Canada. We want to make certain that they continue to be paid well and that they keep up with the cost of living, but I have no intention of extending free mailing privileges to the armed forces, or even requesting it.

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HOUSE OF COMMONS

ABSENCE OF MINISTERS—PROPOSED MOTION TO ADJOURN

Mr. Peter Elzinga (Pembina): Mr. Speaker, I rise on a different point. In view of the fact that every economic minister is absent from this House, I move that this House do now adjourn.

Mr. Speaker: Order, please. Does the hon. member have a supplementary question?

Mr. Elzinga: I move that this House do now adjourn.

Mr. Speaker: Order, please.

Mr. Baker (Grenville-Carleton): There is a motion on the floor.

Mr. Speaker: Order, please. The hon. member will know that I recognized him during the course of the question period. A motion to adjourn is always in order, according to the Standing Orders of the House. However, such a motion must be put forward, as I have ruled on more than one occasion in the past, at a time when a member has the floor for the purpose of putting a motion, which is not done during the question period. When a member has the floor at a time at which motions are received, then that motion is always receivable.

* * *

PRIVILEGE

MR. LALONDE—ARTICLE APPEARING IN "READER'S DIGEST"

Hon. Marc Lalonde (Minister of Justice): Mr. Speaker, I rise on a question of privilege. Yesterday in this House I was asked questions by the hon. member for Kingston and the Islands (Miss MacDonald) and the Leader of the Opposition (Mr. Clark) concerning an article which attributed a certain statement to me. I read that article overnight. I would like to say that to my knowledge I have never been interviewed by the journalist for *Reader's Digest* who wrote this article.

I checked my public statements over the last six months, and the only possible source of anything approaching such a statement as the one read in this House by the hon. member for Kingston and the Islands would have been on the occasion of a well attended press conference in Montreal on October 6 last. That press conference was weil reported at the time. I indicated repeatedly during that press conference that there could be no question of negotiating sovereignty-association in any way, shape or form, and one piece of evidence of this is the Ottawa *Citizen* of October 7. This was only one among several other quotations in the newspapers at the time. The Ottawa *Citizen* said, and I quote:

> Lalonde reaffirmed that an administration under Prime Minister Pierre Trudeau would not enter into negotiations on sovereignty-association if the province chose that option in a referendum expected late next year or early in 1980.

Some hon. Members: Hear, hear!

Mr. Lalonde: The article continues:

> "—We will not negotiate sovereignty-association," Lalonde said. "We do not believe it's a workable solution."

Some hon. Members: Hear, hear!

Mr. Lalonde: I read the transcript of the whole press conference and found no trace of the statement attributed to me. I can only conclude that the statement was not made. In fact, the section of the article in *Reader's Digest* where one finds the statement attributed to me talks about the flexibility of federalism, not about possible negotiations about sovereignty-association. Everybody present at the conference understood that what was referred to were the specific policy proposals of the PQ in various fields of government activity. I indicated that out of these 85 per cent could be implemented under the BNA Act as it stands at the present time.

As to the other 15 per cent, amendments like those we have been discussing with all the provinces over the last few months would be required; for example, amendments dealing with resources, marriage and divorce, communications, indirect taxation, etc., or there could be implementation by the federal government after consultation with the provinces.

In order to make the record perfectly clear and beyond any doubt on this subject I would like to read into the record an excerpt of what I actually said at that conference. The first statement was in French:

[*Translation*]

> Finally, to deal with the federal system, is it true that it has been so bad for Quebec in 1867?

[*English*]

Mr. Speaker: Order, please. I do not want to restrict the minister's right to do what he is doing. We have traditionally permitted members of the House of Commons to rise in their place to complain that they had been inaccurately reported to the point of privilege or perhaps contempt of the House. In this particular case, however, I think the hon. minister is going another step. He is indicating, first, that he did not give the interview which was allegedly reported by *Reader's Digest*,

and that is the main point. The second point is that *Reader's Digest* may have used some other conference—which is not certain, obviously—as the source of its material, and the minister now seeks to put on the record the contents of that conference. I think the House has to take the minister's word as to what he said at that time, but I think it would be extending procedures too much to permit him now to read into the record his statements at that time.

Mr. Lalonde: Mr. Speaker, the statement which has been attributed to me made specific reference to certain percentages which I did refer to during the press conference. I have with me the actual text of what was said, and I submit, with respect, that in order to make sure that the House will have the full story, that I can make my question of privilege quite clear and that there will be no doubt later on about what was said, I should be allowed to put on the record a short excerpt of what I actually said. I want there to be no doubt about what was said on this particular subject. I think it is very relevant to the point of this debate.

Mr. Speaker: Order, please. If we were dealing with a situation in which the source had been identified in the newspaper or magazine article—for example, a statement by the minister—I think the minister would be entitled to read that statement into the record. However, that is not in fact the case. It is a slightly different case. The minister is saying, in the first place, that he gave no interview to the magazine and, in the second place, that the only source, therefore, must have been some press conference. The minister therefore wishes to read his comments at that press conference into the record. I think the minister is entitled—as he has done or may wish to do—to give to the House a précis of what he said at that time, but I do not think he is entitled to read now the record of that press conference.

Mr. Lalonde: Mr. Speaker, what I indicated quite clearly was that four-fifths of what the Parti Québécois was proposing could be implemented under the existing constitution.

Some hon. Members: Hear, hear!

Mr. Lalonde: As far as the rest was concerned, it could be implemented via discussions with the federal government—

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Lalonde: —and in no case could there be negotiations about sovereignty-association. I therefore regret that the hon. member for Kingston and the Islands has been unable to find bedfellows for the hon. member for Rosedale (Mr. Crombie) and the Leader of the Opposition, who have been saying that they would negotiate sovereignty-association and that they would rather negotiate with Mr. Lévesque than with Mr. Ryan. We on this side of the House will leave flimflamming and flip-flopping to the Conservative party.

[Mr. Speaker.]

Some hon. Members: Oh, oh!

• (1510)

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, on the same question of privilege, having listened to the minister's explanation of the quotation I gave in the House yesterday, I can only confirm that he, indeed, is confirming the very words I used.

Some hon. Members: Hear, hear!

Miss MacDonald: I would like to point out to the minister, sir, that the reason I raised it, and the reason I know he is now presenting it as a question of privilege, is that when he used the terms "four-fifths of the Parti Québécois program" and "one-fifth of the Parti Québécois program"—in fact, the document issued by the Parti Québécois, which means the Parti Québécois program is called "Programme Officiel du Parti Québécois"—the program of the Parti Québécois includes a great many things which I hope the minister, indeed, would never negotiate or would never want to see implemented.

That program, in effect, says, according to him, that the Government of Canada would agree to the admission of the province of Quebec to the United Nations; that the Government of Canada, according to the minister, would agree to have all the fiscal policies and all the taxes paid to the Government of Canada transferred to the government of Quebec. That program of which he says four-fifths would be implemented under federalism and one-fifth he could negotiate would include the transfer of all Arctic lands above Quebec to the province of Quebec.

That is the reason, sir, I raised the question. I wanted to give the minister an opportunity to deny it. He did not deny it yesterday and he has not denied it today.

Some hon. Members: Hear, hear!

Mr. Speaker: In terms of the procedural disposition of the matter raised by the minister, it is a common aspect of our practice here that members who feel themselves aggrieved in this way by an inaccurate or improper reporting have the opportunity to rise and say so in the House. Those involved have been given a brief opportunity to do that. It is not within the classical definition of privilege unless the reporting is contemptuous of a member or contemptuous of the House. The hon. minister has indicated that the article which was referred to was not as a result of an interview with him. I think that is a very serious aspect of the matter which ought not to be overlooked.

If it was reported in such a way as to indicate that it was as a result of an interview, that would be a matter of a rather serious grievance. Nevertheless, whether it goes that route or beyond it, it still does not in my view constitute a contempt of the House or a contempt of the member. Therefore, on strict procedural grounds the matter does not fall within a question of privilege, and I think is concluded from that point of view.

I have two other notices of questions of privilege. The hon. member for South Shore (Mr. Crouse) has given me notice of a question of privilege which relates to proceedings in the committee. I have given him the benefit of whatever research we have developed since receiving his notice. This raises a fundamental problem in respect of proceedings in committee, or difficulties regarding procedural rulings in a committee, which are not generally within the purview of the Chair. However, I will give the hon. member an opportunity to try to persuade me otherwise.

The second notice of a question of privilege I have received relates to a grievance by the hon. member for Winnipeg South Centre (Mr. McKenzie) in respect of an inability to obtain documents, a matter which is also generally handled by way of an application for documents. I will also give him a chance to persuade me otherwise.

MR. CROUSE—CONDUCT OF CHAIRMAN OF STANDING COMMITTEE ON FISHERIES AND FORESTRY

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I know you will appreciate that during my 22 years in the House this is the first time I have asked for the privilege of raising a matter of this type. I do so because I feel that my privileges have been infringed upon even though, albeit, in a committee.

I rise, therefore, on this matter because of the conduct last evening of the chairman of the Standing Committee on Fisheries and Forestry. His interpretation of relevancy in respect of questioning on Bill C-35, which is a government omnibus bill on government reorganization, was so restrictive as to inhibit me and members of the committee in our understanding of the purpose and implementation of the bill.

While I appreciate that all debate must be relevant, it is possible to enforce the rule to a point where debate is throttled and there is infringement on freedom of speech. Beauchesne, and I have checked—

Mr. Speaker: Order, please. Before the hon. member goes any further into the details of the difficulties he had in the standing committee, let me say that my difficulty from a procedural viewpoint is this. Let us suppose I accept the statement he just made, that the chairman of a standing committee was so restrictive that it was an infringement almost upon freedom of speech, or however the hon. member wants to put that. My difficulty is, from a procedural point of view how do I have anything to do with that from this chair? Is it not clearly established on the precedents I have provided the hon. member that his recourse or remedy has to be exhausted first in the committee, and that when the report of the committee, one way or another, comes to this House I can then deal with it, but not until then?

Mr. Crouse: Mr. Speaker, I appreciate your difficulty and I am not trying to be obstinate. We spent an hour and a half trying to resolve the problem in the committee last evening without arriving at any conclusion. I relate my request to Beauchesne's new fifth edition which states:

299(1) Relevancy is not easy to define. For borderline cases, the member should be given the benefit of the doubt.

I submit, sir, that this benefit of the doubt was not granted to the five members of the opposition, or even government members, last evening by the chairman of that committee. I look to you, sir, for guidance in this matter.

We were dealing with Bill C-35, which establishes a whole new fisheries department. It sets out its powers, and alludes to jurisdictional conflicts with other departments. It provides for negotiations with the provinces. It requires an annual report, it revamps the fisheries research board, details the qualifications for members and sets out the board's purpose. It is impossible to determine the possible effects of this bill without setting it in the context of departmental policies. This is what we were trying to do last evening, and I refer to all members of the committee, not just members of the official opposition.

The second reading debate in this House was wide open. It is up to a committee chairman, I submit, to enforce strict relevance on amendments but not during the general exploratory, investigative phase of a committee's hearings. Committee members ought to be able to discuss anything which might form the basis of an amendment, and the scope for amendment of a bill defining the structure or scope of a department is fairly wide.

This bill is similar in purpose, although wider in terms, to the government reorganization bill of 1971 which originally set up the Department of the Environment. That bill was debated in committee of the whole and members had no difficulty making statements and asking questions to place the bill in its proper context. The chairman did enforce relevancy, but not in as ridiculous a manner as at present in the standing committee.

If it can be ruled that actions by persons outside this House can inhibit members from doing their duty, surely the House cannot go on forever holding the view that no degree of manipulation of the rules or the silencing of members can ever be considered improper. At some point there must be a need to rule that misuse of the rules is so grotesque that it is lifted from the context of procedural disagreement and can be fairly seen as a direct interference with the ability of members to speak freely to the question before them.

This is such a case and, therefore, I would ask that the use of the rules of relevance to throttle legitimate questioning and discussion on Bill C-35 by the chairman of the Standing Committee on Fisheries and Forestry be referred to the Standing Committee on Privileges and Elections.

Mr. Speaker: Order, please. I am sure the hon. member will realize on reflection that essentially what he is asking the Chair to do—and this, of course, is the reason it wisely has never been attempted in the past—is sit on an appeal of a decision of a chairman of a standing committee, without hearing any of the evidence or being in any way able to hear any of the testimony or examine the problem.

I can only tell the hon. member that, in conformity with the precedents I have supplied him, I really have no other choice

except to tell him and other members involved that they must pursue and exhaust the remedy in committee and in some way initiate a report to this House before this Chair can deal with it. Procedurally, I am in no position to accept and, therefore, in no position to comment, either for or against, on the proposition he has put forward this afternoon.

● (1520)

MR. McKENZIE—FAILURE OF MINISTER OF TRANSPORT TO PROVIDE DOCUMENTATION TO HOUSE OF COMMONS

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I appreciate having this second opportunity to present my case. Yesterday I pointed out to the House that the Minister of Transport (Mr. Lang) has refused to give me complete documentation on the crash of a Beech 95A aircraft in Saskatoon, Saskatchewan, in March, 1978. I pointed out that the minister had submitted full documentation on the crash to the coroner's inquest in Saskatoon but that he has refused to make the same information available to the House of Commons.

The minister gave a long answer yesterday, but it did not pertain to the particular point I raised. At page 3409 of yesterday's *Hansard* he said:

There are certain things of a confidential nature which come before the Minister of Transport and which cannot be made public.

I have not asked for anything of that nature. I have merely asked for the full documentation on this particular crash. If the minister can make this documentation available to a coroner's inquiry, the report of which is made public, then he can make it available to the House of Commons.

Therefore, I would like to submit the following motion:

That the conduct of the Minister of Transport in providing to a coroner's inquest documentation which he will not provide to the House of Commons be referred to the Standing Committee on Privileges and Elections, the committee to have the power to call for persons, papers and documents and to report back to the House.

Your Honour has mentioned that there are other methods of obtaining information from ministers. We have tried all of them. I have been trying to obtain information from this minister on other air crashes since last October, but it is most difficult to obtain any information on any type of matter from the Minister of Transport. I would like you, sir, to entertain my motion.

Mr. Speaker: I have given the matter of the documents referred to by the hon. member for Winnipeg South Centre (Mr. McKenzie) careful consideration since receiving his notice. Of course, I was familiar with some of the background because of the question of privilege which he raised yesterday on what was essentially the same subject.

The matter raised yesterday was different in that the hon. member was raising the point that the Minister of Transport (Mr. Lang) had in a previous answer indicated that basically all documentation was on file or could be obtained, and the hon. member took issue with that answer. That point was disposed of yesterday when the hon. minister returned to that answer and defended it in this House, thereby, in my opinion, putting it into the area of a disagreement or argument between the two members and thus taking it out of the area of privilege.

As a result of that answer yesterday the hon. member now says that the minister confirmed that a document had been surrendered to a coroner's inquest, but that this document has not been made available to him, thus putting the hon. member in a position where his privileges are affected thereby.

The situation with respect to the acquisition of documents, as the hon. member will know, is that first of all in the House of Commons members may make application by way of a notice of motion for the production of documents. This is done on a regular basis and ministers, I am sure to the chagrin of opposition members, stand in their place and indicate that they are not going to produce their documents for various reasons.

If I were to grant that that matter were to become a question of privilege because the minister was refusing on some grounds to produce that document to a member, I think that I would be stretching the limit of the definition of privilege beyond recognition. If I were to decide that a prima facie refusal by a minister to produce a document became privilege, I would be altering the law or privilege considerably.

The hon. member does not actually say that he has made an application pursuant to motions for the production of documents and that the minister subsequently has refused to produce them. He does say in his argument that the minister has refused his other request for information, but he does not identify this particular one.

In addition, the hon. member supports his argument by referring to the fact that, if the document can be produced in a coroner's court, then it ought to be produced to the hon. member. That may very well be so, but it certainly does not follow that because the court has the power to subpoena a document, or have it produced to it or call as a witness the person who prepared the document, and thereby have access to the information, that that power necessarily lies in the hands of every member of parliament in the discharge of his obligations. Again, I think that it would be a considerable alteration of privilege to grant the hon. member's request.

If the hon. member has not already exhausted the other available devices open to him in securing this report, by way of a motion to produce the document, questions to the minister during question period and so on, I suggest that he ought to do so and perhaps in due time there may be more light shed on this argument. But on the basis of the arguments put forward today by the hon. member, I cannot bring it within the ambit of privilege.

* * *

POINT OF ORDER

MR. NIELSEN—REQUEST FOR EXPANDED REFERENCE TO STANDING COMMITTEE

Mr. Erik Nielsen (Yukon): Mr. Speaker, on a point of order which I direct to the government House leader, on February 14 I asked him if, in view of the fact that the House had

unanimously passed the second report of the Standing Committee on Justice and Legal Affairs, he would present expanded terms of reference to that committee so as to reactivate the subcommittee on penitentiaries and permit it to travel to the major institutions in the country in an effort to head off what is shaping up to be a major series of disturbances in the system again. He said that he would take the matter up with the Solicitor General (Mr. Blais) as to what the next step ought to be.

Could the House leader now inform the House whether he has reached a conclusion to bring in expanded terms of reference in the interest of peace within the system?

Hon. Allan J. MacEachen (Deputy Prime Minister and President of Privy Council): Mr. Speaker, there may be a misunderstanding between the hon. member and myself. I had assumed that the matter had been attended to or was capable of resolution under the report that had been submitted by the Standing Committee on Justice and Legal Affairs. If I am mistaken in that which was my understanding, I will review the matter again.

Mr. Nielsen: Mr. Speaker, I would like to explain to the minister that the second report was unanimously concurred in by the House and that it called for an expansion of the terms of reference so that the subcommittee could be reactivated. This is what I am asking about.

* * *

PRIVILEGE

MR. McKINNON—VARIANCE IN ANSWERS TO QUESTIONS

Mr. Speaker: There is another unfinished matter of privilege before the House on which we reserved the right of the hon. member for Victoria (Mr. McKinnon) to make a contribution.

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, I rise to speak on that question of privilege which I raised last Wednesday concerning conflicting answers which I received to questions in the House. At that time the Minister of National Defence (Mr. Danson) made a short reply and you, sir, gave the minister additional time to prepare a contribution on this question. Later that day I advised the Clerk of the House that I would not be here last Thursday or Friday, but would be here on Monday, February 19, and days following. I was rather surprised on my return on Saturday to learn that the minister had seen fit to ignore the usual courtesy and had risen in his place and delivered his reply in my absence on Thursday last. The bright side is that I have had ample time to read his reply carefully.

Frankly, Mr. Speaker I had hoped that the minister might be able to clarify the situation, perhaps by stating that one of the replies had been an honest mistake. Instead, he chose to muddy the situation by quoting a plethora of selected dates about extraneous happenings which had little to do with the central issue.

That issue can be encapsulated into a very few words. The Prime Minister (Mr. Trudeau) said on November 14 that Chancellor Schmidt and others in mid-July had asked for a few more months and that the government felt it would be willing to give them a few more months. The minister said in *Hansard* at page 867 on November 7, 1978:

> The vendors asked for additional time to submit.

It should be noted that both of these remarks were made in November, some four months after Chancellor Schmidt asked for an extension and, incidentally, if we accept the minister's reply of last Thursday, we must believe that Chancellor Schmidt was asking for this indulgence two weeks after it was granted—a most unlikely happening.

Now we get the opposite answer. The question was on the order paper and asked:

> Did Chancellor Schmidt personally or some of the other bidders ask for a few more months beyond the August 1 deadline?

The answer was no. I have avoided, in the interests of simplicity, mentioning all the other doubts and questions raised by the rambling dissertation of the minister last Thursday. My case remains the same now as then. Wherein does the truth lie? Did Chancellor Schmidt ask for and receive a few more months, question No. 1, or did he not, which is question No. 2?

The likelihood of his asking for additional time in July, which he had already been granted in June, and such time to last for only two weeks, as posited by the minister in his reply, cannot be taken seriously. I presume, sir, that you will consider the question of privilege as seriously as I do, noting that the minister did not deny any of the statements. If you decide there is a prima facie case, I will be prepared to move the motion I read last Wednesday.

● (1530)

Mr. Speaker: Order, please. Over the period of time this question has endured before the House, I have heard the hon. member twice, I think, so I believe I should hear the minister a second time and then make a decision.

It seems to me, before finalizing the matter, that the question I have to decide is a simple one. The hon. member has cited two answers which he says are in conflict with each other. The question that I have to decide, therefore, is whether one of those answers was a misleading answer, and, if so, whether it was a deliberately misleading answer. Those are the two questions I have to decide.

Hon. Barney Danson (Minister of National Defence): Mr. Speaker, I should like to deal with the lengthy preamble of the hon. member with reference to his absence from the House. I thought I explained that with the courtesy which I think one member should show to another in this House. I think that courtesy should be mutual.

I had not been made aware that the hon. member would not be present. Indeed, I made a commitment to his House leader, so I suggest that they should get together. Obviously on that

side of the House they do not get together on very many things. They should be known as the "Variety club".

I did, as committed, give my answer the next day, being well aware that there are very good reasons for members not being present in the House all the time. I would have hoped that the hon. member would have extented the same courtesy in replying that I have extended and that I think all hon. members should extend.

I still fail to see where there is conflict. I stand by the answer I gave on February 15, at page 3258 of *Hansard*. I know the hon. member has difficulty understanding these things and adding up dates, and has taken a long time to get around to doing this. If there is anything wrong, there was no intent to be misleading. I do not think it was misleading. I think my answer was accurate and speaks for itself. I think my answer of February 15 should be quite clear. If it is not, I would be very happy to clarify it. We could get our staffs together and arrange a date when we are both in the House so that there would be absolutely no question in the hon. member's mind.

Mr. Speaker: As is so frequently the case, the minister has at least put a procedural point to rest for the moment by saying that if there has been any misleading in respect of these two answers—that is the contention of the hon. member for Victoria (Mr. McKinnon), and I do not make a judgment on that—which he says are not in conflict with one another, it was not intentional on his part. I have to accept that. It is a long-standing tradition of this House that it has always accepted the word given by any member of the House and that, if there has been a misleading of the House, such misleading is argued or is in dispute; but regardless of the dispute, that if such a misleading has taken place, it has not been intentional and that takes it out of the area of privilege. Therefore, I think it closes the matter from the point of view of the Chair.

ROUTINE PROCEEDINGS

[*English*]

PUBLIC ACCOUNTS

First report of Standing Committee on Public Accounts—Mr. Huntington.

* * *

LOTO CANADA

TABLING OF PRESIDENT'S REPORT INTO LOTO SELECT PROJECT

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I wish to table under Standing Order 41(2) in both official languages the report of the president of Loto Canada into the Loto Select project.

[Mr. Danson.]

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

CONCURRENCE IN FIFTH REPORT OF STANDING JOINT COMMITTEE

Mr. G. W. Baldwin (Peace River) moved that the fifth report of the Standing Joint Committee on Regulations and Other Statutory Instruments, presented to the House on February 16, 1979, be concurred in.

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, as requested yesterday by the hon. member, we will agree to this motion without debate.

Motion agreed to.

* * *

HOUSE OF COMMONS

MOTION TO ADJOURN

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, in view of the fact that there was a document released today involving the economic life of this country and that nine economic ministers plus the Prime Minister (Mr. Trudeau) chose not to be here, and the government chose to issue that document on a date when they would not be here, I move, seconded by the hon. member for Pembina (Mr. Elzinga):

That this House do now adjourn.

Some hon. Members: Shame!

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion, the yeas have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

The House divided on the motion (Mr. Baker, Grenville-Carleton), which was negatived on the following division:

● (1540)

(*Division No. 35*)

YEAS
Messrs.

Alexander
Alkenbrack
Andre
(Calgary Centre)
Baker
(Grenville-Carleton)
Baldwin
Balfour
Beatty
Blackburn
Brisco
Cadieu
Clark
(Rocky Mountain)
Clarke
(Vancouver Quadra)
Coates
Corbett
Cossitt
Crombie
Crosbie
(St. John's West)
Crosby
(Halifax-East Hants)
Crouse
Darling
de Cotret
Dinsdale
Douglas
(Nanaimo-Cowichan-The Islands)
Ellis
Elzinga
Epp
Forrestall
Fraser
Friesen
Gillies
Grafftey
Halliday
Hamilton
(Qu'Appelle-Moose Mountain)
Hamilton
(Swift Current-Maple Creek)
Hare
Hargrave
Hees
Hnatyshyn
Hogan
Holmes
Howie
Huntington
Jarvis
Jelinek
Johnston
(Okanagan-Kootenay)
Jones
Kempling
Knowles
(Winnipeg North Centre)
Knowles
(Norfolk-Haldimand)
Lambert
(Edmonton West)
La Salle
MacDonald
(Egmont)
MacDonald (Miss)
(Kingston and the Islands)
MacKay
Malone
Masniuk
Mazankowski
McCrossan
McGrath
McKenzie
McKinley
McKinnon
Mitges
Muir
Munro
(Esquimalt-Saanich)
Murta
Neil
Nielsen
Nowlan
Nystrom
Oberle
Orlikow
Paproski
Parker
Patterson
Peters
Pigott (Mrs.)
Ritchie
Roche
Rodriguez
Rynard
Saltsman
Schellenberger
Scott
(Hamilton-Wentworth)
Shymko
Siddon
Stanfield
Stevens
Stewart
(Marquette)
Symes
Towers
Wenman
Whiteway
Whittaker
Wise
Woolliams
Yewchuk—97

NAYS
Messrs.

Allard
Allmand
Anderson
Baker
(Gander-Twillingate)
Beaudoin
Béchard
Bégin (Miss)
Blaker
Blouin
Boulanger
Breau
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss)
(South Western Nova)
Campbell
(LaSalle-Émard-Côte Saint-Paul)
Caouette
(Villeneuve)
Caouette
(Témiscamingue)
Clermont
Corbin
Corriveau
Côté
Cyr
Danson
Daudlin
Dawson
Demers
Dionne
(Kamouraska)
Dionne
(Northumberland-Miramichi)
Douglas
(Bruce-Grey)
Duclos
Dupont
Duquet
Ethier
Faulkner
Fleming
Flynn
Foster
Francis
Gauthier
(Roberval)
Gauthier
(Ottawa-Vanier)
Gendron
Goodale
Guay
Guilbault
Harquail
Herbert
Holt (Mrs.)
Hopkins
Isabelle
Jamieson
Janelle
Johnston
(Westmount)
Joyal
Kaplan
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Laniel
Lapointe
Laprise
Lavoie
Leblanc
(Laurier)
LeBlanc
(Westmorland-Kent)
Lee
Lefebvre
Loiselle
(Chambly)
Lumley
MacDonald
(Cardigan)
MacEachen
MacFarlane
MacGuigan
Marceau
Marchand
McIsaac
McRae
Milne
Munro
(Hamilton East)
Nicholson (Miss)
Ouellet
Parent
Pearsall
Pelletier
Penner
Philbrook
Pinard
Portelance
Prud'homme
Railton
Raines
Reid
Roberts
Rompkey
Rooney
Roy
(Laval)
Sauvé (Mrs.)
Smith
(Saint-Jean)
Tessier
Trudel
Turner
Watson
Wood
Yanakis
Young—107

● (1730)

Mr. Speaker: I therefore declare the motion lost.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): Mr. Speaker, questions Nos. 292, 293, 294, 583, 665, 777, 980 and 1,099 will be answered today.

[*Text*]

CANADIAN COUNCIL OF CHRISTIANS AND JEWS—OPEN HOUSE CANADA PROGRAM

Question No. 292—**Mr. Cossitt:**

1. What are the names and job designations of all persons concerned with granting funds to the Canadian Council of Christians and Jews in connection with the programme "Open House Canada"?

2. (a) What are the names of the persons signing contracts pertaining to the Programme on behalf of the (i) government (ii) Canadian Council of Christians and Jews (b) what are all the details of any such contracts?

3. To the knowledge of the government, how many written inquiries were received by the Canadian Council of Christians and Jews from the public in connection with the Programme?

4. Has the government received any written inquiries from the public in regard to the Canadian Council of Christians and Jews in connection with the Programme?

Hon. John Roberts (Secretary of State): 1. The people concerned with granting funds to the Canadian Council of Christians and Jews in connection with the Open House Canada Program are:

The head, project support and planning, Open House Canada

The chief, social communications

The director, citizens' participation

The associate director, citizens' participation

The assistant under secretary of state, citizenship and bilingualism development

The assistant under secretary of state, cultural affairs
The senior assistant under secretary of state

These officials are involved at various stages of the grants consideration process; approval of grants rests with the Secretary of State.

2. (a) (i) One contract was signed with the CCCJ during the fiscal year 1977-78 under the Open House Canada program for the provision of field support services. The senior assistant under secretary of state signed this contract on behalf of Her Majesty after approval had been given by the Secretary of State.

(ii) The president, signed on behalf of the council.

(b) The contract called for the operation by CCCJ of a 24-hour, 365-day "on-call" service to provide assistance as required to Open House Canada participants. This would include provision of information, re-routing or accommodation of participants encountering travel problems in transit, and other crisis intervention as appropriate.

For the operation of this service, it was agreed that CCCJ would receive a professional fee of $44,000 and actual documented expenses not to exceed $72,000. In fact, CCCJ waived payment of a portion of its fee so that the total amounts paid were:

Professional fee	$29,000
Expenses	6,774.49
Total	$35,774.49

3. According to the final report of the council on its performance of the contract, some 60 written inquiries, 100 telephone inquiries and 25 visits from prospective participants were received.

4. The Department of the Secretary of State has no record of having received any such inquiries.

SECRETARY OF STATE—CANADIAN COUNCIL OF CHRISTIANS AND JEWS

Question No. 293—**Mr. Cossitt:**

1. Were funds given by the Department of the Secretary of State to the Canadian Council of Christians and Jews between the years 1974 and 1978 and, if so, what was the amount involved in each year?

2. What was the name of the program and the amount to which such funds were dispersed?

Hon. John Roberts (Secretary of State):

1.

Calendar Year	Grants	Contract
1974	$ 61,250	
1975	56,940	
1976	23,051	
1977	304,460	$35,774
1978 (Nov 9/78)	767,013	

2.

Programs	Amount
Travel and Exchange	$ 97,640
Open House Canada (Grants)	814,122
Open House Canada (Contract)	35,774
Multiculturalism	55,570
Group Understanding & Human Rights	13,000
Citizen Participation, Voluntary Organizations	22,000
Official Language Minority Groups	125,900
Student Community Services	84,482

See list below for detail by year.

[Mr. Roberts.]

Canadian Council of Christians and Jews
Funds Provided 1974-1978 (November 9, 1978)

Grants	1974	1975	1976	1977	1978	Total
Travel & Exchange	$45,000	$51,640	$1,000	—	—	$97,640
Open House Canada	—	—	—	$248,004	$566,118	814,122
Multiculturalism	7,200	2,400	3,500	24,410	18,060	55,570
Group Understanding & Human Rights	—	—	—	—	13,000	13,000
Citizens Participation Voluntary Organizations	—	—	—	—	22,000	22,000
Official Language Minority Groups	—	2,900	15,000	18,000	90,000	125,900
Student Community Services Program	9,050	—	3,551	14,046	57,835	84,482
	$61,250	$56,940	$23,051	$304,460	$767,013	$1,212,714
Contract						
Open House Canada	—	—	—	$35,774	—	

OPEN HOUSE CANADA

Question No. 294—**Mr. Cossitt:**

1. Did the government carry out an audit of the funds given to the Canadian Council of Christians and Jews in regard to the Program "Open House Canada" and, if so (a) on what date (b) what were the results or recommendations of such audit?

2. To the knowledge of the government, in what Canadian cities does the Canadian Council of Christians and Jews maintain offices?

Hon. John Roberts (Secretary of State): 1. The government has received a full and detailed accounting of the expenditures of grants provided by Open House Canada to the Canadian Council of Christians and Jews. A formal government audit has not been carried out as such audits are not required for grants funding. The accounts of the CCCJ are, of course, audited annually by the Council's own auditors, and copies of its most recent financial statement have been made available to the department. Regarding its 1977-78 service contract, CCCJ has agreed to make all relevant records and supporting documentation available to the department for audit at any time.

2. To our knowledge, as of October 25, 1978, the Council maintains offices in: Halifax, Montreal, Ottawa, Toronto, Winnipeg, Calgary, Vancouver.

MULTICULTURALISM—STATEMENT OF MINISTER

Question No. 583—**Mr. Mitges:**

1. Did the Minister of State for Multiculturalism make a statement on June 15, 1978, to the Standing Committee on Broadcasting, Films and Assistance to the Arts, to the effect that the budget of the Multiculturalism Directorate for the fiscal year 1978-79 would be $7.544 million and, if so, has the government subsequently made the decision to decrease this proposed budget?

2. If it is the government's intention to decrease the overall budget of the Directorate, which programmes will be affected and by what amounts?

Hon. Norman A. Cafik (Minister of State (Multiculturalism)): 1. Yes, the minister made the above statement. There is no decrease in the directorate's budget for the fiscal year 1978-79 and none is intended.

2. Not applicable.

NATIONAL DEBT—PROVINCIAL AND MUNICIPAL SHARE

Question No. 665—**Mr. Lambert (Bellechasse):**

1. To the knowledge of the government, for each (a) province (b) municipality as a whole, in each province, what was their share of the National Debt on March 31 (i) 1967 (ii) 1978?

2. On March 31 (a) 1967 (b) 1978, what was the total debt of the government, provinces and the municipalities?

Mr. Alan Martin (Parliamentary Secretary to Minister of Finance): 1. Data on provincial and municipal debt, by province, for the fiscal years 1970-71 to 1975-76 are available in the Statistics Canada publication Consolidated Government Finance, catalogue 68-202. Data on total debt outstanding of provinces and municipalities (no provincial detail) for calendar years 1961 to 1976 are available in Financial Flow Accounts, volume II, catalogue 13-563, data for 1976 (revised) and 1977 and available in catalogue 13-002.

2.

Fiscal Year Ending March 31	Public Debt of the Federal Government[a]		Net Debt of the Federal Government[b]	
	$Millions[c]	per cent of GNP[d]	$Millions[c]	per cent of GNP[d]
1967	28,471	46.0	15,535	25.1
1978	80,048	38.1	39,622	18.9

[a] The public debt of the federal government consists of all liabilities which appear on the government's statement of assets and liabilities.
[b] The net debt of the federal government is represented by the excess of recorded liabilities over net recorded assets.
[c] Amounts for the fiscal year ended March 31, 1967 have been calculated on a basis consistent with the presentation of assets and liabilities introduced in the Public Accounts of Canada for the fiscal year ended March 31, 1977.
[d] Calculations are based on the preceeding calendar year gross national product (GNP) figures, i.e. debt for the fiscal year ended March 31, 1978 is expressed as a percentage of GNP for calendar year 1977, etc.

With respect to provincial and municipal debt see answer to question 1.

CBC—TV PROGRAMS IN FREDERICTON

Question No. 777—**Mr. Howie:**

Are there plans by the CBC to expand English language television programming and facilities at Fredericton, New Brunswick and, if so, what are they?

Hon. John Roberts (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: The CBC has tentative plans for the expansion of English language television facilities at Fredericton, but their extent is dependent upon the outcome of negotiations now in progress with the New Brunswick Broadcasting Company.

MR. ROBERT REMPEL

Question No. 980—**Mr. Epp:**

Is Mr. Robert Rempel working for Sport Canada and, if so, what is his (a) job description (b) annual salary?

Order Paper Questions

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): In so far as the Minister of State (Fitness and Amateur Sport) is concerned: Mr. Robert Rempel is not working for Sport Canada.

UNINSURED LOSSES OF EQUIPMENT

Question No. 1,099—**Mr. Clarke (Vancouver Quadra):**

1. With reference to the uninsured losses of equipment in the Public Service Staff Relations Board detailed at page 9.60, Volume 1 of the 1977-78 Public Accounts of Canada, did the Board take steps to ascertain the present whereabouts of the missing electric typewriters and, if so (a) what were they (b) what was the result of the steps taken?

2. Was the thief apprehended?

3. On what date, in what locations and under what circumstances were the machines stolen?

4. Did the Board undertake procedural changes to ensure that such an incident does not recur and, if so, what were they?

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): 1. (a) The Public Service Staff Relations Board reported the thefts to the Ottawa Police for investigation as to the whereabouts of the missing electric typewriters.

(b) The result of the investigation was negative.

2. The thief was not apprehended.

3. Two electric typewriters were stolen from the fifth floor of L'Esplanade Laurier during silent hours (1600 September 13, 1977 to 0730 September 14, 1977). Two electric typewriters were stolen from the fifth floor of L'Esplanade Laurier during silent hours 1600 September 15, 1977 to 0730 September 16, 1977).

4. The following procedural changes were implemented to prevent recurrences:

(a) A security committee was established to review and implement improved security measures;

(b) the installation of dead-bolt locks in addition to existing locks on all access doors was undertaken to prevent recurrences;

(c) additional security guards were employed pending the implementation of improved security measures; and

(d) special doors were installed in stairwells to prevent unauthorized access to government occupied floors.

* * *

[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, if question No. 625 could be made an order for return, this return would be tabled immediately.

Mr. Speaker: The questions enumerated by the hon. parliamentary secretary have been answered. Shall question No. 625 be deemed to have been made an order for return?

Some hon. Members: Agreed.

National Housing Act

[*Text*]

IMPORTS OF RAW RESOURCES—SEMI PROCESSED AND MANUFACTURED GOODS

Question No. 625—**Mr. Rynard:**

For each year 1970-77, what was the total amount of imports in (a) raw resources (b) semi-processed goods (c) manufactured goods from (i) the United States (ii) the United Kingdom (iii) West Germany (iv) France (v) the Peoples Republic of China (vi) the U.S.S.R. (vii) Japan?

Return tabled.

[*Translation*]

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Mr. Speaker: Shall all notices of motions for the production of papers be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

NATIONAL HOUSING ACT

MEASURE TO AMEND

Hon. André Ouellet (Minister of Public Works and Minister of State for Urban Affairs) moved that Bill C-29, to amend the National Housing Act and the Central Mortgage and Housing Corporation Act and to make other related amendments, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

He said: Mr. Speaker, I am very pleased to have the opportunity to introduce this bill and—explain how it will help Canadians—find better housing at a more reasonable price.

[*English*]

I am ashamed to have witnessed the attitude displayed by the loyal opposition in taking up the precious time of this House.

Some hon. Members: Order.

Some hon. Members: Hear, hear!

[Mr. Speaker.]

Mr. Clark: Mr. Speaker, I rise on a point of order.

Some hon. Members: Oh, oh!

Mr. Clark: The minister will know that he is forbidden by the rules of this House to reflect upon the votes of this House, but is the minister four-fifths ashamed or only one-fifth ashamed?

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please. There is no way in which I can pass judgment because I have not heard a thing.

Mr. Douglas (Bruce-Grey): He didn't say anything.

[*Translation*]

Mr. Ouellet: Mr. Speaker, the Leader of the Opposition is obviously acting like a little kid.

[*English*]

Mr. Clark: Mr. Speaker, on a point of order—

Mr. Deputy Speaker: Order, please. I recognized the Leader of the Opposition (Mr. Clark) on a point of order, and I hope hon. members will at least give me a chance to hear what he has to say.

Mr. Clark: Mr. Speaker, my point of order has two parts. The first is to draw to the attention of the Minister of State for Urban Affairs (Mr. Ouellet) the very clear rule of this House which prevents him from reflecting upon the vote which has just been cast.

Some hon. Members: Oh, oh!

Mr. Breau: He was just reflecting on your stupidity.

Mr. Clark: I will wait until hon. members opposite become a little more tranquil.

An hon. Member: You may have to wait.

Mr. Harquail: You are wasting Canadian money.

• (1740)

Mr. Clark: I will wait until they become quiet, Mr. Speaker.

Some hon. Members: Oh, oh!

Mr. Clark: The second part of my point—

An hon. Member: What a shameful performance.

Some hon. Members: Oh, oh!

Mr. Clark: I am not sure why they are trying to shout us down so much, Mr. Speaker, but the second part of my point of order is to ask if the Minister of Public Works and Minister of State for Urban Affairs in what he said is four-fifths ashamed or simply one-fifth ashamed?

Some hon. Members: Oh, oh!

Mr. Ouellet: Mr. Speaker, I am glad to see that you have recognized that the Leader of the Opposition (Mr. Clark) really has no point of order in his intervention. Indeed, what he has just said is that he does not want me to reflect on the vote that has just been cast. Indeed, I do not want to reflect on it. They lost the time of the House this afternoon and they lost the vote too.

Some hon. Members: Oh, oh!

Mr. Ouellet: What is important is that the House was supposed to start discussing an important measure that will allow the possibility of having more housing for the low income people of Canada.

Some hon. Members: Hear, hear!

Mr. Ouellet: It is a piece of legislation that will allow the hundreds and hundreds of municipalities across Canada to have appropriate financing under a federal-provincial scheme that has been agreed upon. They are waiting for the Conservative party to finally allow this bill to be approved by parliament.

[*Translation*]

Mr. Speaker, I was observing what was going on in the House this afternoon at 4.30 before the vote. I want to tell the people who are watching us on television, and who obviously could not see which members were in the House during the call of the bell, that the Liberals were ready to vote from the start.

Mr. Deputy Speaker: Order, please. I think the minister is really getting away from the topic and that his remarks deal with the vote, which cannot be debated, just as I thought the issue raised by the hon. Leader of the Opposition a bit premature since the minister had perhaps not gone so far as the Leader of the Opposition maintained. Also, his remarks do not concern the bill before us, and I would like him to go back to the issue at hand.

Mr. Ouellet: Mr. Speaker, it is obvious that in its most important aspects this bill implements the new orientation the Canadian government intends to give housing. That orientation is being adopted as a result of the meetings I have held with my provincial colleagues; together, as ministers responsible for housing in Canada, we formulated this new policy. However, Mr. Speaker, I deplore the fact that we should have failed to get from the Opposition, and in particular the Progressive Conservative party, more co-operation and collaboration in adopting this bill posthaste.

An hon. Member: They wasted the time of the House.

Mr. Ouellet: Naturally, we should have liked to have passed this bill in a single day, to have seen it through all its stages; because of the urgency of implementing the program, the bill should have been passed in one day. We were unable to get the co-operation of the Progressive Conservative party in order to do so; in addition they insisted today on wasting the time of the House of Commons, which is another example of the lack co-operation, the irresponsibility of the Tories.

This afternoon, the Leader of the Opposition (Mr. Clark) behaved like a kid bent on playing hooky. It is obvious he does not have the sense of responsibility one needs to take on the heaviest responsibilities in the land.

An hon. Member: He lacks leadership!

Mr. Ouellet: That man has neither the maturity nor the training to hope to become Prime Minister, and his attitude in the House today proved it clearly.

The provisions in this bill, Mr. Speaker, address specifically great national objectives, the first of which is probably the most important, namely a considerable increase in the number of housing units that meet the needs of Canadians with the lowest incomes.

[*English*]

Mr. Baker (Grenville-Carleton): Why don't you call a judge?

[*Translation*]

Mr. Ouellet: Mr. Speaker, I have just heard the unpleasant innuendo made towards me by the hon. member for Grenville-Carleton (Mr. Baker). That is a typical example of the rubbish he constantly mouths and it clearly reveals the baseness of that member who periodically in the House shows his spite towards other members of the House. To me, he appears to be someone who is totally lacking in parliamentary manners, who behaves in a deplorable manner; I regret this sort of allusion and, Mr. Speaker, I find it is simply disgusting.

Mr. Speaker, I am going to continue my remarks on this bill because I think that beyond the partisan spite of some of the members of the Conservative opposition, there are some objectives and important ideals which enable us to continue our work as parliamentarians and allow us above all to hope that we can settle important problems, particularly those in the field of housing. Our present housing programs, which are undertaken in conjunction with the provincial governments, hardly provide at the moment 19,000 units a year; it is not enough to meet the needs of the country. It is obvious that we must build each year a greater number of units for old and low income people.

That is why the government of Canada undertook to go ahead with a program to speed up housing construction by asking for the co-operation of the provinces, the co-operation of municipal authorities and also the co-operation of all private and public organizations involved in public housing. We set a target of 30,000 housing units a year and I am convinced the new measures proposed in this bill will enable us to reach that target rapidly.

The people who will benefit from the new non-profit housing program are low-income people, women on their own, raising families on their own, old and disabled people. That is in fact our first priority. They are the people we want to help and they are the people to whom we want to give more adequate and more decent housing facilities in Canada.

Obviously, Mr. Speaker, most Canadians are well housed. Whatever yardsticks one may use, they are among the best housed people in the world. In fact, housing production in Canada in recent years has been the highest in our history. During the last four years housing starts in Canada reached an average of nearly 250,000 units. Hon. members who want to compare our accomplishments with a specific standard only have to look at the United States. The Progressive Conservative party tried to take a formula in use in the United States, use it as a political football and come up with some kind of magic formula to meet housing needs in Canada.

Obviously when one compares our accomplishments with that specific norm which exists in the United States, we find that between 1967 and 1977, for example, we built in Canada an average of 10 new housing units per 1,000 people, while for the same period in the United States the proportion was only 6.8 units for the same number of people. Mr. Speaker, not only did our rate of production exceed that of the United States, but it had greater stability and less pronounced year to year variations.

● (1750)

[*English*]

I would like to look at the proposal which was put forward recently by the Conservative party. It has tried to copy a policy which has existed in the United States for years.

Mrs. Pigott: Successfully.

Mr. Ouellet: Not successfully, but with great difficulty. This policy is being copied by the Conservative party in the hope that it will be more successful in Canada than in the United States. People in Canada realize that the Liberal party has been helping to produce better housing and a greater number of homes and that the terrible scheme which the Conservative party proposes will be regressive.

We are getting short of time, Mr. Speaker, and I would like to discuss further this matter when the debate continues, unless the Conservative party again tries to prevent the House from proceeding in the normal way with its business. There is no doubt that the House leader for the Conservative party will try other tricks to block the normal activities of the House to prevent it from proceeding normally. We cannot have confidence in him. He is obviously trying to prevent the government from proceeding in an effective manner.

Mr. Crombie: How about the bill?

Mr. Ouellet: Before we adjourn at six o'clock, I would like to say that if one looks at the performance of this government in housing—

Mr. Deputy Speaker: Order, please. The hon. member for Grenville-Carleton (Mr. Baker) is shouting at the Chair from his seat. If he would like to address himself to the Chair, he should seek the floor.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I am very much concerned that the government, which has delayed the bringing of this bill forward for one year, is now using its debating time for personal attacks on members of the opposition. I am not the least bit concerned about the personal attacks from the minister, because I consider the source from which they come. I am anxious, however, to get on with the legislation.

Mr. Ouellet: If the House leader for the Conservative party is so anxious to have this bill pass, I hope that he will agree to a specific timetable to pass it before the end of the week or early next week; in other words, that the bill will be dealt with in all its stages and approved. I am sure that he knows that this bill is important to a large number of municipalities across the country. The hon. member also knows that in order to have an appropriate program for the rehabilitation of housing, this bill should be approved. If the opposition House leader is speaking honestly, he should be prepared to tell us now that he is ready to agree to having this bill approved in all its stages within one or two days.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I apologize to the House for the minister, who is so beside himself with synthetic rage that he had difficulty doing his bargaining on the floor of the House.

Mr. Pinard: He has the right to speak in English.

Mr. Baker (Grenville-Carleton): When I became the House leader of this party—

Mr. Pinard: What is wrong, just because he speaks slowly in English?

Mr. Baker (Grenville-Carleton): —I indicated that we did not feel it was our duty as the opposition inordinately to hold up legislation which was important. I will undertake to the House that that will be the attitude of this party as long as it is in opposition, which I hope will not be too long.

I want to give the minister that reassurance. I would also like to say in the course of this debate that I am always concerned when the atmosphere of the House of Commons breaks down into unreasoning partisanship. I hope that the minister will get on with the legislation which he has brought forward. The hon. member for Ottawa-Carleton (Mrs. Pigott) is ready to follow him and to put forward a proposition. In fact, she has been waiting two months for the minister to bring in this legislation.

Mr. Ouellet: Mr. Speaker, I realize that it is almost six o'clock, but I have not yet received an assurance from the hon. member that he will co-operate and do his best to speed up the passage of this bill. I hope that we will get his support.

I would like to say something which will point out quite clearly the great performance of the current government in dealing with housing in Canada. A Gallup poll which was taken 11 years ago, in 1968, asked Canadians across the country whether they were satisfied or dissatisfied with the housing situation. That poll indicated at that time that 60 per cent of the people were satisfied, 34 per cent were dissatisfied and 6 per cent did not know.

At the end of 1978 another Gallup poll was taken and the same questions were asked. The results of that poll were: 85.5 per cent of Canadians were satisfied with the housing situation, and 13 per cent were dissatisfied. I think this clearly illustrates the good performance of the Liberal party in terms of housing.

I will continue my remarks when this debate continues. I would call it six o'clock.

Business of the House

BUSINESS OF THE HOUSE

Mr. Paproski: Mr. Speaker, on a point of order, I would just like to know what the business will be for tomorrow.

• (1800)

[*Translation*]

Mr. Pinard: Mr. Speaker, the hon. member should know that tomorrow the House will be dealing with a motion introduced by the Progressive Conservative party.

[*English*]

Mr. Paproski: That is fine. It is Friday I was looking for. I knew tomorrow was our opposition day.

[*Translation*]

Mr. Pinard: Mr. Speaker, in all likelihood, Friday we will continue the consideration of Bill C-29 and in the event of any change, we will try to advise the hon. member before the beginning of the sitting on Friday.

Mr. Deputy Speaker: It being six o'clock this House stands adjourned untill two o'clock tomorrow afternoon.

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, February 22, 1979

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

STATUS OF WOMEN

ALLEGED FAILURE OF GOVERNMENT TO PROVIDE EQUAL OPPORTUNITY FOR WOMEN IN PUBLIC SERVICE—MOTION UNDER S.O. 43

Mr. David MacDonald (Egmont): Mr. Speaker, in view of the recently published report of the Advisory Council on the Status of Women, entitled "Women in the Public Service—Barriers to Equal Opportunity", and its total indictment of federal policies and programs to achieve equal opportunity for women, indicating in particular that "the federal government has failed to provide equal opportunity for women in the public service", and they are actually lagging behind the private sector and, in particular, that there is a disturbing reversal in the career assignment program with a reduction from the 30 per cent participation rate for women in 1975 to a 14 per cent participation rate in 1977, I move, seconded by the hon. member for Kingston and the Islands (Miss MacDonald):

That this government immediately report on, (1) the specific goals that have been in effect since 1975 in respect of the achievement of equal opportunity, department by department; (2) those departments or agencies which have failed to meet their particular objective on a year by year basis; and (3) the annual assessment provided to Treasury Board on the implementation of equal opportunity programs for women in the various departments and agencies.

Mr. Speaker: The introduction of such a motion for debate at this time can only be done with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

OFFICIAL LANGUAGES

REQUEST THAT MORE EFFICIENT MEASURES BE TAKEN TO PROMOTE BILINGUALISM—MOTION UNDER S.O. 43

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to move a motion under Standing Order 43.

Considering that the Commissioner of Official Languages has stated that the government should clean its own house before acting as protector of linguistic equality; considering, again according to the commissioner, that the working language in the public service is spoken mainly among lower ranks; and finally, considering that in the commissioner's opinion it is frightening that the government has chosen this moment to reduce by $34 million the budget to promote bilingualism in the provinces, I move, seconded by the hon. member for Brome-Missisquoi (Mr. Grafftey):

That the House unanimously urge the Prime Minister of Canada to refrain from deluding Canadians with his fine speeches and, as the commissioner says, to take action.

Mr. Speaker: Order. Pursuant to Standing Order 43, such motion can be presented only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

TRANSPORT

PROPOSED SHERBROOK-McGREGOR OVERPASS IN WINNIPEG—REQUEST FOR DELAY UNTIL STUDY OF RAILWAY RELOCATION UNDERTAKEN—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, the contents of this motion represent views expressed by the Prime Minister (Mr. Trudeau) and by the Minister of Transport (Mr. Lang) and I hope, therefore, that the House will give consent to its being presented at this time.

I move, seconded by the hon. member for Yorkton-Melville (Mr. Nystrom):

That this House notes that the building of a proposed Sherbrook-McGregor overpass in Winnipeg would seriously disturb residents both north and south of the Canadian Pacific Railway yards, and therefore urges the federal government not to support the building of the said overpass at this time, but to delay any decision thereon until there has been a full and thorough study of railway relocation at Winnipeg, and this House urges the government to commit the necessary funds for such a study so that it can proceed forthwith.

Mr. Speaker: Such a motion can be introduced at this time only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

[*Translation*]

OFFICIAL LANGUAGES

REQUEST THAT REPORT OF COMMISSIONER BE STUDIED BY PARLIAMENT—MOTION UNDER S.O. 43

Mr. René Matte (Champlain): Mr. Speaker, I rise under the provisions of Standing Order 43 and seek the unanimous consent of the House to discuss a motion relating to a matter of urgent and pressing necessity.

In light of the pessimistic remarks the Commissioner of Official Languages made when he presented his annual report; given the clear contradiction which exists between his remarks and the government's pretension about finding solutions to our national problems; given the fact that, without admitting it, the government realizes the failure of its policies by ordering, for instance, a cut of more than one-third in the staff of the Linguistic Training Branch; and given the fact that this government misleads all Canadians in general and all Quebeckers in particular by trying to monopolize all attempts to safeguard Canadian unity while denying the very existence of the Quebec nation, I move, seconded by the hon. member for Rimouski (Mr. Allard):

That the House instruct the government to take into account the report of the Commissioner of Official Languages by putting it up for consideration and resolution in parliament.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

[*English*]

ENERGY

CALL FOR CASH INCENTIVES TO PROMOTE DEVELOPMENT OF ALTERNATE SOURCES OF ENERGY—MOTION UNDER S.O. 43

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, I rise under the provisions of Standing Order 43 to request the unanimous consent of the House to introduce a motion dealing with an important matter of pressing necessity to our national transportation problems.

The establishment of a government in Iran that is unfriendly to the western world has increased the threat of an oil shortage in North America in the not-too-distant future, and places a burden on all of us to encourage our scientists to come up with alternate sources of energy and better applications of fossil fuels. I therefore move, seconded by the hon. member for Fraser Valley East (Mr. Patterson):

[Mr. Speaker.]

That the House unanimously approve a motion to have the federal government devise some form of cash incentive program and national prizes from lottery funds to encourage our inventors and scientists to develop more efficient uses of fossil fuels, especially as motive power, and also to develop alternate sources of energy for motive power.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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HOUSE OF COMMONS

TIME TAKEN TO RECORD DIVISION—MOTION UNDER S.O. 43

Mrs. Simma Holt (Vancouver-Kingsway): Mr. Speaker, I rise, under Standing Order 43, on a motion of urgent and pressing necessity.

In view of the loss of 110 minutes yesterday, at a conservatively calculated cost of $145.29 a minute, or $15,982.23 for the entire time lost yesterday—

Some hon. Members: Order.

Mrs. Holt: —as a result of a mischievous Tory motion for adjournment, I move, seconded by the hon. member for Peel-Dufferin-Simcoe (Mr. Milne):

That this House repay the citizens of Canada for the lost time and money by sitting an extra day.

Some hon. Members: Oh, oh!

Mr. Speaker: Order.

Mr. Alexander: Iona said no.

* * *

FISHERIES

EXPANSION OF CANADIAN FISHING FLEET—MOTION UNDER S.O. 43

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I rise, under the provisions of Standing Order 43, to raise a matter of urgent and pressing necessity.

In view of the fact that the Minister of Fisheries recently awarded a contract for the catching of 12,000 tons of codfish to two communist countries, namely, East Germany and Poland, which will require the licensing of 12 East German freezer trawlers and six Polish factory ships within Canada's 200-mile limit, I move, seconded by the hon. member for St. John's West (Mr. Crosbie):

That the Minister of Fisheries, once the needs of our inshore fishermen are met, encourage the development of a Canadian catching capability in northern areas in order to provide much needed employment, ashore and afloat, through the expansion of our Canadian fishing fleet.

Mr. Speaker: The introduction of such a motion for debate at this time can only be done with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EMPLOYMENT

ALLEGED ARBITRARY ACTION BY CANADA EMPLOYMENT OFFICE TO DETRIMENT OF NOVA SCOTIA WOODCUTTERS—MOTION UNDER S.O. 43

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, although this resolution, on the surface, would seem to be a regional issue, I am sure you will agree that it has national implications and is of urgent and pressing necessity.

For the past two weeks or so, pulpwood cutters from the East Richmond section of my constituency have been receiving notices from the Canada Employment office located in Port Hawkesbury, Nova Scotia, telling them to immediately return to work regardless of weather conditions, transportation difficulties or the rates of pay which they will receive.

All this has occurred in view of the fact that the windchill factor in that area recently dropped to 48 degrees below zero for some days and in view of the fact that in the past these poorly paid woodcutters did not even have qualified scalers and were not required by UIC and Manpower officials to return to work until late spring. I therefore move, seconded by the hon. member for Sault Ste. Marie (Mr. Symes):

That the Minister of Employment and Immigration immediately notify these and other officials acting in such an arbitrary and coercive way to cease and desist from such action.

Mr. Speaker: Is there unanimous consent for the introduction of such a motion for debate at this time?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1415)

ORAL QUESTION PERIOD

[*English*]

STATISTICS CANADA

PROTECTION OF PERSONAL INFORMATION SUPPLIED BY CANADIANS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question to direct to the Deputy Prime Minister regarding the inviolability and the confidentiality of statistical information which Canadians supply to their government.

In view of the voluble assurances given last week by the Minister of Industry, Trade and Commerce about the confidentiality and integrity of Statistics Canada, could the Deputy Prime Minister assure the House and the country that Statistics Canada does take care of and protect the very personal information that is supplied by the people of Canada to their government?

Hon. Allan J. MacEachen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, in reply to the hon. member's question, I have not made any personal investigation into the matter. I cannot provide the assurance based upon my own knowledge or research, but I will check into the matter and provide the hon. member with whatever assurance can be made at a later time.

Mr. MacKay: Mr. Speaker, I respect the Deputy Prime Minister's attitude. As a parliamentarian of long experience, would he agree with me that the condition under which income tax returns are made available to the chief statistician, pursuant to section 23 of the Statistics Act, are very specific and imply cabinet responsibility? Section 23 (1) (a) of the Statistics Act reads in part as follows:

—in such manner and at such times as the governor in council may prescribe upon the recommendation of the minister and the Minister of National Revenue.

Would my hon. friend agree that there is a certain amount of cabinet responsibility involved in protecting this very important income tax and other statistical information that the government requires from the people of this country?

Mr. MacEachen: Mr. Speaker, of course I agree there is a responsibility to protect the confidentiality of information provided to the government, particularly the confidentiality that is prescribed by law. It is the responsibility of the government to ensure that the law will be carried out.

Mr. MacKay: A further supplementary question, Mr. Speaker. I want to bring a very serious matter to the attention of the Deputy Prime Minister and ask what he will do to remedy the fact that thousands of confidential forms, including income tax returns, are lying unattended in cardboard boxes in circumstances where people can walk in off the street and have access to them. This situation has existed for months; it is still occurring. Will the minister, once he has satisfied himself that this information is correct, consider an inquiry into Statistics Canada of the type I requested two years ago?

Mr. MacEachen: Mr. Speaker, I will take the hon. member's representations seriously. I have absolutely no personal knowledge about the existence of all these cardboard boxes. I have not made any personal tour of the buildings, as the hon. member may have done, but I shall take his representations seriously and make inquiries.

REASON NAMES, ADDRESSES AND SOCIAL INSURANCE NUMBERS GIVEN TO STATISTICS CANADA

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is also for the Deputy Prime Minister. Given the situation that within a few blocks of this chamber 50 to 60 boxes are lying unattended which contain this confidential information, including tax information, where anyone can walk off the street and inspect it, and given the responsibility of the cabinet under section 23 of the Statistics Act wherein the cabinet sets conditions under which documents are given to Statistics Canada, can the Deputy Prime Minister explain why tax information would be delivered that would include names, addresses and social insurance numbers, when that information can be of absolutely no interest or assistance whatsoever to Statistics Canada in terms of its mandate?

Hon. Allan J. MacEachen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I have already given assurances to the hon. member's colleague that I shall look into this matter.

Mr. Jarvis: A supplementary question, Mr. Speaker. The Deputy Prime Minister will recall that it was revealed not long ago that a previous minister of national revenue, now the Minister of Employment and Immigration wrote—out of concern, I am sure—to the then solicitor general, now the Minister of Consumer and Corporate Affairs, expressing concern about access to that type of confidential information by law enforcement officers.

Can the Deputy Prime Minister inform the House whether he is aware of any comparable concern by the present Minister of National Revenue in terms of delivery of confidential information to Statistics Canada and the methods of protecting that confidentiality which Statistics Canada supposedly exercises?

Mr. MacEachen: Mr. Speaker, the hon. member asks me if I am aware of any concern held by the Minister of National Revenue along the lines expressed in a letter about which we are informed and about which lengthy discussions took place in this House. I am not aware of any discussions carried out by the Minister of National Revenue. He may have had them. He may feel this concern, but it certainly has not been conveyed to me in any way so that I can respond to the hon. member's question.

● (1420)

Mr. Baldwin: Look at the Official Secrets Act.

* * *

CONSUMER AFFAIRS

PROFIT INCREASES OF CORPORATIONS—INCREASES IN CONSUMER PRICES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. Considering that Statistics Canada figures released yesterday show that profit increases for the last quarter of 1978 went up 39 per cent, coming after earlier quarterly increases of 32 per cent, 18 per cent and 12 per cent, and considering that the minister said outside the House yesterday that the government would be prepared to use its purchasing policy and its powers in the marketplace to force companies to come into line in terms of having reasonable prices for Canadian consumers, I ask the minister to explain to the House precisely what he means by this.

Another question of equal importance is this: does the government intend to take immediate action to implement such a policy?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, first of all, we cannot conclude that increased profits have been caused by price gouging, profiteering or anything like that. Increased profits may very well be due to increased efficiency, more sales, and so on.

Mr. Gillies: What about the falling dollar?

Mr. Allmand: Let me state, Mr. Speaker, that profit increases have historically heralded a general economic recovery and the hon. member should welcome that. Furthermore, our preliminary studies show that profit levels are not out of line with historical patterns for profits. Finally, there was a report released, I think today, that stated over the last four years wages and salaries have increased much more than profits.

Mr. Broadbent: Mr. Speaker, I rather suspected the minister would add that last statistic. If he does a little further research, he will find out that during the last ten years wages have gone up 141 per cent but profits—please note this, Mr. Minister—during the same decade increased by 240.8 per cent, almost twice the rate of wage increases over the past decade. It depends where you start the trend. It depends who your friends are, as well.

Mr. Stevens: Is that the four-fifths and the one-fifth?

Mr. Broadbent: Having regard to what the minister said about profit increases perhaps being due to increased sales, and considering the AIB report that came out yesterday on food industry profits at the retail level indicated that profit increases in fact were up 37.9 per cent, almost double the rate of increase in sales which was only 17.4 per cent, I ask the minister, is he fully satisfied that the very high prices paid by Canadian consumers in food stores are not in good measure due to the fact that companies are making more profits perhaps than they should be?

Mr. Allmand: Mr. Speaker, there is no evidence that the high profits are due to extraordinarily high prices. As a matter of fact, the AIB report referred to by the hon. member concluded that profit margins last year were quite in line with historical patterns and in some cases there were declines in the third quarter of the year.

We are concerned about increasing food prices and the increase in inflation. I have said before that if the hon. member or anyone else has evidence that some increased prices are due to price-fixing or rigging the marketplace, I would be very pleased to put our team of people from the competition bureau to work on that.

Mr. Paproski: That is your job.

Mr. Broadbent: Mr. Speaker, it is the minister's department that is supposed to be investigating this matter.

Mr. Paproski: That is why he is there.

Mr. Broadbent: This is why he has to pay civil servants to do it and not members on the opposition side. The minister just indicated that the profit figures in retailing were not out of line. I point out to him that the report put out by the AIB indicates retail profit increases were indeed higher than the period 1971 to 1977, so these profits were abnormally high. I wish the minister would check his own data on that.

REQUEST THAT STEEL PRICE INCREASES BE ROLLED BACK

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I would like to turn to another sector, the steel industry. Considering that all three major firms announced over the weekend an increase in their prices by about 7 per cent, coming on top of other price increases of 6 per cent or 7 per cent announced just three months ago, and considering that profits for the three companies are up 45 per cent, year over year, from 1977 to 1978, will the minister now practice what he preaches and ensure that these companies effect rollbacks in steel price increases so that consumer durables, automobiles and a whole range of other items will not escalate out of sight in price during 1979?

● (1425)

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): First, Mr. Speaker, with regard to food, the hon. member should read once more the AIB report which was published yesterday. While there are reports of increased profits in some areas, they also report some lower profits, especially in the third quarter of last year.

With regard to steel, a week or so ago I asked officials in my department to analyse steel price increases in their analysis of the situation in the steel industry. I have not yet received that report from them.

* * *

HEALTH AND WELFARE

OBJECTION TO MANNER OF ADVERTISING CHILD TAX CREDIT PROGRAM

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is to the Minister of National Health and Welfare. Protests are coming to members from across the country against the objectionable television advertising that is sponsored by the minister promoting the child tax credit bill. This advertising is presented in a lifestyle form and is creating pressure on parents, especially low income parents. Apart altogether from the political, partisan overtones of the ad—

Some hon. Members: Oh, oh!

Mr. McGrath: —and I think it is shameful, it is in fact misleading. Does the minister intend to withdraw it from television and, if not, why not?

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, if the government had the money, I would ask for $1 million to have the ad shown three times as often.

Some hon. Members: Hear, hear!

Miss Bégin: I challenge the hon. member to read the text of the ad to this House, a copy of which has been given to his party, and to read the description of the video part as well and give us an example, direct or indirect, of partisanship, because there is none in the ad. The ad tells Canadian parents, mothers in particular that there is a new credit from which 75 per cent of Canadian mothers will benefit partly or fully, and that they have to apply for it. That is what the ad does. I wish we could have more money.

Mr. McGrath: Mr. Speaker, the minister does not realize the visual impact of this ad, showing a family in a lifestyle with a middle income background which will create undue pressures on low income families, many of whom already have a difficult time managing what the ad presents as a windfall gain. Even though the object is to explain how to obtain the child tax credit, which is commendable, the way the minister is going about it will create social hardships on families.

Some hon. Members: Oh, oh!

Mr. McGrath: I suggest if hon. members opposite saw this ad, they would know exactly what I am talking about and perhaps might even share my concern. Members are getting protests from across the country about this objectionable advertising. Will the minister withdraw it from television?

Miss Bégin: The answer is no, Mr. Speaker, and each free time slot I am able to get, I will use. I would like the hon. member and everyone else to know that we have more copies of the ad which can be used on cable TV and other types of community television. I would say that the members of the Conservative party have a problem with their emotions and sensitivities; they are always in the wrong place. They are all mixed up in their ideology when it comes to women, by the way.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. McGrath: Mr. Speaker, our problems are nothing like the problems of the government, one of which is this Minister of National Health and Welfare.

Some hon. Members: Hear, hear!

Mr. McGrath: I would like to ask the Minister of Consumer and Corporate Affairs, who is responsible for the Combines Investigation Act, if he will refer this misleading ad to the combines investigation branch which has responsibility for dealing with misleading advertising. If he does that, he will find that it will be withdrawn from television.

Some hon. Members: Oh, oh!

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am sure the director of investigations will take note of the hon. member's comment.

* * *

● (1430)

[*Translation*]

REGIONAL ECONOMIC EXPANSION

INQUIRY WHY GOVERNMENT REFUSES TO ASSIST "LES CHAUSSURES DES CANTONS DE L'EST" IN RICHMOND, QUEBEC

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, my question is directed to the Minister of Regional Economic Expansion. His department having refused to participate in the financing of Les chaussures des Cantons de l'Est project in Richmond, can the minister give the exact reasons for his refusal and tell us whether he expects a new study to be made of that file in the near future?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, as I explained to the hon. member personally, the company and the applicants themselves are familiar with the exact reasons for which we turned down the request they made to our department with a view to helping that business to start operating again. As I have said repeatedly, if new considerations entered the picture, and if the project as submitted were to be financed differently, I could certainly justify looking at the application again.

Mr. Beaudoin: Mr. Speaker, on a supplementary. As the Quebec government has authorized a subsidy of some $150,000 through the OSE program, Opération solidarité économique, phase 4, as well as a loan of $350,000 from the Quebec Industrial Development Corporation—it would seem that the Quebec government is even looking into the possibility of making good the subsidy that was refused by the federal government—and as the Quebec government has said of the project that it will be of tremendous value to the area, while the federal government claimed that would be absolutely useless to the economic expansion of that area, can the minister explain why there should be so much difference between the appreciations of the Quebec and the federal governments on such a big project?

[Miss Bégin.]

Mr. Lessard: According to the information I have obtained, Mr. Speaker, the financial support which the Quebec government is willing to provide to carry out this project does not seem to meet the normal criteria established for the operation of current provincial programs. If the Quebec government should decide to provide financial assistance to this project, even if provincial officials claim that it is not economically viable, I think therefore that they are the ones who are making the decision. I suggest I should not have to wait until the Quebec government makes up its mind about a project before we decide ourselves whether or not to support it. Our decision has nothing whatsoever to do with whether or not the Quebec government supports it.

Mr. Beaudoin: Mr. Speaker, I have a last supplementary question. Would the minister tell the House—I am afraid I have been misunderstood—that provincial officials must co-operate with federal officials? How is it that this project, which should create 95 new jobs, is differently assessed? Is it for political reasons or what?

Mr. Lessard: Mr. Speaker, their criteria probably differ from ours. But according to the information available to me, they apparently feel that, based on their criteria, this project is not deemed viable.

* * *

[*English*]

INDIAN AFFAIRS

PROTECTION OF INDIANS' TREATY RIGHTS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. It has to do with the treaty rights of Indians. These rights are sacred to the Indians. Recently, the Indians won a case in connection with migratory birds being hunted outside the season applicable to other Canadians. The Government of Canada then entered into a protocol with the United States of America, a country which has never been very considerate of Indian rights all through the years. The judgment was, in effect, set aside and this aroused a deep sense of understandable antagonism among Indians in general. You cannot take treaty rights and destroy them without the consent of the treaty nation concerned.

Will the minister reconsider this question and assure, as a result of further consideration and discussion with the Indians, that their treaty rights will not be subject to interference by the government, however convenient it may be for the government to act in co-operation with the United States?

Hon. James Hugh Faulkner (Minister of Indian Affairs and Northern Development): I share the right hon. gentleman's view of the importance of the treaties to the Indian and to the people of Canada. They were sacred undertakings entered into by the Crown and by the Indians. I think this government has always recognized that. But I am puzzled by his reference to the Migratory Birds Convention, because in fact what my colleague, the minister of the environment, did in signing the

amendment to the convention with the Secretary of the Interior of the United States was to open up the possibility of finding a remedy for a grievance which has been felt since 1917, a limitation which confined Indian and Inuit hunting to the seasons applicable to all the others.

My colleague has opened up that situation now to allow negotiations with the provinces and the Indian people so that Indians and Inuit might hunt outside that season. So the move we made had the effect of expanding Indian rights, which I think was consistent with the treaty.

Mr. Diefenbaker: No matter what the benevolent explanation may be, the Indians are being deprived of their rights and I want an assurance from the minister to protect the Indians' treaty rights, not the generalization he made at the inception of his remarks when dealing with my question. Are you going to give them their rights, or will you deprive them of these sacred rights to which they are unquestionably entitled?

An hon. Member: Hear, hear!

Mr. Faulkner: I am not sure you know what a treaty right is all about.

Mr. Speaker, I tried to respond directly to the right hon. gentleman's question. It was he who raised the question of the Migratory Birds Convention and he pointed out that it restricted Indian rights. I agreed with him and said that a few weeks ago my colleague and I arranged with the other parties to the treaty to expand it. So what we have done, in fact, is to allow for the expansion of Indian hunting rights.

The right hon. member talks about a range of other rights. I would point out that there are presently discussions going on with the Indian people within the framework of amendments to the Indian Act which specifically deal with hunting, trapping and fishing rights. Furthermore, an agreement in principal has been concluded with the Inuvialuit of the Mackenzie delta which enshrines not only hunting, trapping and fishing rights but specialized rights, exclusive rights to harvesting. I do not want to be gratuitous, but I have to say that this government has probably done more than any previous government to ensure the rights of the Indian and Inuit people.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: It was my government which gave them the vote that Liberal party governments denied them all through the years.

Some hon. Members: Hear, hear!

[*Translation*]

SHIPBUILDING

INQUIRY AS TO MEASURES GOVERNMENT INTENDS TO TAKE TO REBUILD SHIPBUILDING FACILITIES IN GASPÉ

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, my question is to the Minister of Régional Economic Expansion. As the minister is surely aware, a fire has destroyed the Gaspé shipbuilding facilities, thereby depriving 60 people of work and causing losses of about $4 million. Can the minister tell us if these people can count on his department's good offices so that these shipbuilding facilities can be rebuilt in the near future?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, I have just been informed, when returning to Ottawa, of this terrible fire which destroyed the Gaspé shipbuilding facilities. We will ensure that department officials in Rimouski immediately contact the owners of the firm concerned to find out if it intends to rebuild these facilities, as we are given to believe. I want to give the hon. member my word that we will do all we can and as much as the existing programs will allow us to help the people involved.

* * *

[*English*]

STATUS OF WOMEN

ALLEGED FAILURE OF GOVERNMENT TO PROVIDE EQUAL OPPORTUNITY FOR WOMEN IN PUBLIC SERVICE

Mr. David MacDonald (Egmont): Mr. Speaker, my question is addressed to the minister responsible for the status of women. It refers to the latest report of the Advisory Council on the Status of Women having to do with women in the public service and entitled "Barriers to Equal Opportunity."

• (1440)

The report is a veritable indictment of the policies and programs of the federal government and concludes that the federal government has failed to provide equal opportunities to women in the public service and that it is lagging behind the private sector. In light of cabinet directive No. 44 issued in 1972, and the cabinet document on equal opportunities issued in November of 1975, can the minister explain why the government has totally ignored its responsibilities with respect to women employed in the public service?

Hon. Marc Lalonde (Minister of Justice): Mr. Speaker, first I must say that the hon. member has given a very biased reading of that report. That report contains several other aspects which the hon. member seems to ignore. I would like to remind him that a series of measures have been taken by Treasury Board with the Public Service Commission to try and improve the situation in terms of equal opportunities for women in the public service.

As the hon. member knows, departments are now required to bring forward five-year plans and to be up to date every

year as to their plans for improving opportunities for women in the public service. We believe that through the monitoring of these plans, which is conducted by Treasury Board, it will be possible to speed up progress.

Mr. MacDonald (Egmont): Mr. Speaker, as the minister well knows, more than a year ago he promised that annual reports would be submitted to Treasury Board as well as projections of the goals of these five-year plans of action. They have not yet been produced.

Since the principle of equal opportunity was announced more than three years ago, I wonder if the minister can tell us why only 20 departments have full-time equal opportunities co-ordinators while 31 have part-time co-ordinators. With respect to Treasury Board obligations, there are only two staff people, with no budget, while the official languages program has 45 staff people and a budget of $1,340,000. Why this disparity if the government is committed to equal opportunities for women as well as the official languages program?

Mr. Lalonde: Mr. Speaker, never at any time was there a decision to the effect that there should be full-time co-ordinators in every department. Some departments are very small and do not require full-time co-ordinators. All departments were asked to assign to a senior official a specific responsibility concerning the promotion of equal opportunities for women in the public service and we have made sure that in the larger departments full-time people would be assigned for that purpose.

As far as smaller departments are concerned, this function can be fulfilled by senior officers who have other responsibilities. It is a question of using in the best possible way the human resources available to perform the job.

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EXTERNAL AFFAIRS

PROPOSED MOVE OF AIR CANADA OPERATIONS FROM HEATHROW TO GATWICK AIRPORT—BRITISH RESPONSE TO CANADIAN PROTEST

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I would like to ask the Secretary of State for External Affairs whether he has received any reaction or formal response from the British government arising out of the representations made to the British government by the Canadian High Commissioner with respect to the proposition of forcing Air Canada to move from Heathrow airport to Gatwick airport.

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, we have received what might properly be described as an interim reply from the Foreign Secretary, Dr. Owen, to High Commissioner Martin. The contents of it are obviously confidential, but I think the gist of it is that the British government has not made a final decision. Dr. Owen has undertaken personally to look into the matter.

On a less formal basis, I also received communications from Dr. Owen indicating that he is personally seized of this problem and will be discussing it with me at, I hope, some fairly early date.

Mr. Mazankowski: Mr. Speaker, what other action, if any, is being contemplated by the Government of Canada? Could the Secretary of State for External Affairs also indicate the status of the bilaterals which are to take place some time in the course of the next six to 12 months?

Mr. Jamieson: Mr. Speaker, on the first part of the question, I took note of the proposal by the right hon. member for Prince Albert when he asked me and was good enough to defer consideration of whether a Standing Order 43 motion unanimously supported would be advisable. Given his long association with the High Commissioner in London, I think he will appreciate that I got in touch with him directly. I telephoned him and asked him about it, and he said at this time he did not feel this would be appropriate, although the mere fact that it had been raised in the House would in itself be useful.

Mr. Woolliams: Sounds like Paul Martin.

Mr. Jamieson: Not only does it sound like Paul, but I think it makes as much good sense as most of the things Paul used to say.

Some hon. Members: Hear, hear!

Mr. Fraser: Usefully inappropriate.

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PUBLIC SERVICE

ALLEGED FAILURE OF GOVERNMENT TO PROVIDE EQUAL OPPORTUNITY FOR WOMEN—STEPS TO IMPROVE PROGRAM

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is in the same area touched on by the hon. member for Egmont, except that I would like to put my question to the President of the Treasury Board. My question is based on the report of the Canadian Advisory Council on the Status of Women entitled "Women in the Public Service—Barriers to Equal Opportunity", the key line of which is to the effect that the government's efforts to achieve positive results since 1971 have been a consistent failure.

In view of the fact that there are so few departments which are carrying out the intent, despite what was said a moment ago by the minister responsible for the status of women, will the President of the Treasury Board use his authority to demand that all departments hire full-time equal opportunities officers immediately, and discipline managers who fail to achieve positive results in this area?

Hon. Judd Buchanan (President of the Treasury Board): Mr. Speaker, as my colleague indicated, we are not sure that in all departments—because some are relatively small—it is necessary to have such officers. On the other hand, I share the concern which is at the base of the hon. member's question, that we have not made the good progress we would have liked

and should have made in this area. As the hon. member knows, we received the final report just yesterday. We are looking at it very seriously and I will be happy to take whatever steps are necessary to do what we can to make certain that during the coming year we make better headway.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, as a supplementary question I would like to ask the President of the Treasury Board if he will look very closely at the sections in the report which deal with the first hired, first fired development and also with superannuation. The report says, for example, that the policy of equality which was established in the Public Service Superannuation Act is completely violated by the employment structures because women do not get steady employment as men do, and thus do not get the pensions to which they are entitled. It also says that these same structures of employment result in firings hitting women more than they do men.

Will the President of the Treasury Board look at these specific problems and do his best to get them corrected?

Mr. Buchanan: Yes, Mr. Speaker.

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PUBLIC WORKS

SITE OF NEW UNITED STATES EMBASSY—PLANS FOR NEW COURTHOUSE

Mr. Lloyd Francis (Ottawa West): Mr. Speaker, I have a question for the Minister of Public Works or, in his absence, his parliamentary secretary. Could the parliamentary secretary tell this House whether the United States Embassy intends to construct a new building for its operations in Cartier Square on a site made available by the Department of Public Works, and whether the province of Ontario intends to convert the Old Ottawa Teachers' College building, adjacent to the U.S. Embassy site, to a new courthouse?

Mr. Hal Herbert (Parliamentary Secretary to Minister of Public Works and Minister of State for Urban Affairs): Mr. Speaker, I understand that the U.S. embassy has concluded an agreement with the Department of Public Works and will be constructing a new embassy in the near future on the site mentioned by the hon. member for Ottawa West.

The province of Ontario has made proposals concerning the development of a new courthouse, and discussions are under way. The Government of Canada has offered an alternative site and this is being considered.

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ADMINISTRATION OF JUSTICE

AUTHENTICITY OF DOCUMENT ON FIREARMS CONTROL

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I have given notice of my intention to ask a question of the Solicitor General. My question relates to a document I have passed to him, on which hopefully he can make a comment. The document is entitled "The police function in Canada as a control and enforcement agency in regards to amendments to the firearms section of the Criminal Code". One of the paragraphs in the document reads as follows:

—as far as an armed and organized public was concerned and it was felt in the interests of the function that it was desirous to ensure that the public be discreetly but effectively disarmed over a period of the forthcoming five years.

Having had an opportunity to study this document, I wonder if the Solicitor General can tell the House today whether it is authentic, and its source of information.

● (1450)

Hon. J.-J. Blais (Solicitor General): Mr. Speaker, I have received a large number of letters from members of parliament who are concerned about that document. I want to indicate at the outset that the document is a phony. One finds, on reading it, that the forced officialese which is used can only indicate that whoever is the creator or the author of the document consciously attempted to concoct a document in order to create an inflammatory situation. In my view, it is the only blemish in an otherwise very positive reception that has been granted to the gun control program in the country.

Some hon. Members: Oh, oh!

Mr. Blais: I would point out to the hon. gentleman that this document is false. I am addressing that question tomorrow at the Ontario Federation of Anglers and Hunters in London, where I will be dealing with that document and its contents. There is no need for any member of the House, or indeed any member of the Canadian public, to be concerned.

Some hon. Members: Hear, hear!

Mr. Oberle: Mr. Speaker, of course, I look at it as a source of comfort that the Solicitor General has told us now that we need not be concerned. This document has been widely circulated, has been published in magazines and has incited the antagonism of thousands of legitimate gun owners in the country, as well as creating all kinds of difficulties for members of parliament.

My question to the minister is, then: knowing that this document has been forged and is phony, knowing of its content and knowing how widely the document has been circulated, have the police or has the minister made any effort to find the source of the distribution of this kind of poison throughout the country, and what is the result of such an investigation?

Mr. Blais: Let me hasten to agree with the hon. gentleman that the document approximates poison. I wish to indicate, as well, my great disappointment at the fact that the National Firearms' Association, which I always assumed was a responsible gun owners' association, has seen fit, notwithstanding the patent falsehood of this document, to include it in one of its newsletters.

In terms of what measures can be taken, I will take the hon. gentleman's representation seriously.

Mr. Whiteway: Mr. Speaker, my question is directed to the Postmaster General, who was in his seat a minute ago. Perhaps I can be recognized a little later when he comes back.

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SOCIAL INSURANCE

GOVERNMENT'S INTENTIONS RESPECTING LIMITING USE OF SOCIAL INSURANCE NUMBERS

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, my question is for the Minister of Employment and Immigration. The Prime Minister has written to the de facto leader of the New Democratic Party, Mr. Dennis McDermott, stating categorically that the government has no intention at all of limiting the use of social insurance numbers.

The minister will recall that he gave an undertaking in the House to create an advisory council, one of whose purposes would be to investigate the restriction of social insurance numbers. The fact is that there has been no action in the department in this connection and no action on the part of the advisory council. The minister has either misled the House or has been shot out of the air by the Prime Minister. Would the minister indicate whether he has any intention at all of studying the limitation of social insurance numbers?

Hon. Bud Cullen (Minister of Employment and Immigration): Mr. Speaker, I have not read the letter and I am somewhat suspicious of the interpretation being given to it by the hon. member. I did indicate that under the human rights legislation, my colleague, the President of the Treasury Board, had the responsibility of monitoring in so far as the data banks are concerned, and I gave an undertaking that it would be examined by the advisory council—not only the concern which the hon. member has and which I share, but also the negative aspects if we simply pass legislation outlawing the use of social insurance numbers except in the four instances I have indicated.

This is something that warrants study because it will have a severe impact in many areas which will work to the detriment of people who are quite prepared to use their social insurance numbers in the interests of gaining several benefits across the country.

Mr. Hnatyshyn: Mr. Speaker, the fact of the matter is that the letter written by the Prime Minister to Mr. McDermott has been widely publicized in the press. The Prime Minister speaks in it approvingly of the extension of the use of social insurance numbers in private industry.

In view of the fact, also, that the Prime Minister, during the 1972 election campaign, said that he foresaw the day in the near future when national identification cards would be used in Canada, I want to know whether we can get a categorical statement from the Minister of Employment and Immigration to the effect that social insurance numbers will not become, in Canada, a single identifying number. There was a commitment from him that he would look into it. He has done nothing. I should like to get that undertaking from him right now, in plain English.

An hon. Member: Or French.

Mr. Cullen: As I indicated, I am somewhat dubious of the interpretation given by the hon. member. He says I did nothing. In fact, I have prepared a brief that I want to present to the advisory council asking them for their view on this subject, and I have indicated that under the human rights legislation there is an ongoing monitoring process being carried out by the Treasury Board, as their responsibility. So something is being done. I did not indicate that I was going to go further than that at this time. I am indicating that there are down-sides as well as up-sides to the use of social insurance numbers.

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POST OFFICE

LIABILITY FOR REGISTERED ITEMS THAT ARE LOST

Mr. Dean Whiteway (Selkirk): Mr. Speaker, my question is directed to the Postmaster General: it has to do with a paid advertisement in the Winnipeg *Free Press*. On the same day, on the front page of that paper there was a small article entitled "Registered mail! What's that?". In part, the article reads that in the Federal Court of Canada, Judge Louis Marceau ruled that the Post Office was not liable for registered objects that were lost. The ad reads in part:

> Proof of mailing and proof of delivery are my security when mailing contracts worth thousands of dollars to the U.S. and Europe. That's why I use registered mail.

In light of that contradiction, would the Postmaster General direct the Post Office to withdraw this obviously dishonest and misleading ad?

Hon. J. Gilles Lamontagne (Postmaster General): I do not think, Mr. Speaker, that the allegation of the hon. member about the misleading ad is true. I think the ad was done purposely to inform the public about our registered and certified mail. People should know, if they get the information, that there is a limit on the responsibility for a parcel which is registered or certified. So I think the advertising is not misleading; it is straight to the point and we will probably make it appear again.

Mr. Whiteway: My question is directed to the same minister. Would the minister look into the judgment brought down by Judge Marceau in that case and compare it, with regard to the liability of the Post Office in respect of registered mail, with the advertisements put out by the Post Office, to see whether or not these ads are misleading, which on the surface they appear to be?

Mr. Lamontagne: From what I know of the judgment of the judge in this case, I do not think he blames the Post Office; he just questions whether perhaps better information could be given on the limits of insured mail and the responsibility we have in these cases, that is all.

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AGRICULTURE

DECISION OF ALBERTA TURKEY PRODUCERS TO WITHDRAW FROM NATIONAL PLAN—MINISTER'S POSITION

Mr. John Wise (Elgin): Mr. Speaker, my question is directed to the Minister of Agriculture. It is prompted by the recent decision of the Alberta turkey producers to withdraw from the national plan. The decision was taken not particularly by choice but, rather, by necessity.

The minister has been warned about this problem over the last 12 months and he knows that a similar problem exists in the other national agencies. I want to ask what action he intends to take in the near future to overcome this difficulty and similar difficulties which exist in three or four of the national marketing plans.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the hon. member speaks as if it were my fault that the Alberta turkey producers have decided to withdraw from the national plan. It is written right into the agreement which they have signed that if they give one year's notice, they can withdraw. They want to be self-sufficient in turkeys in Alberta. They want a larger share of the national market for turkeys in Alberta.

Some hon. Members: Oh, oh!

Mr. Whelan: According to the plan, they shall share, in a true Canadian attitude, in the total national production of turkeys. They say that because the population in Alberta has increased, they should have more of the turkey production. That is not in accordance with the terms of the agreement which they signed.

● (1500)

Mr. Wise: Mr. Speaker, my supplementary question is addressed to the same minister. He should recognize that the continued success of these national marketing plans depends upon the ability of the producers within each province to take advantage of some of the changing and increasing marketing conditions within the provinces. Under the present regulation, which is within the minister's responsibility, this is simply impossible. I simply ask the minister if he will accept his responsibility and call a meeting in the very near future of his provincial counterparts and other people within the agricultural industry in an attempt to resolve these difficulties before all the national plans in this country go down the drain.

Mr. Whelan: Mr. Speaker, none of the national plans will go down the drain unless the producers themselves make the decision, because they are the ones who agree among themselves how the quotas shall be shared. I do not tell them what they should do with what parts of the quotas; they decide among themselves how they shall be shared. If one province cannot convince the other nine provinces how they shall be shared, it has that alternative of withdrawing from the plan. If they want to discard a plan they will be on the road to self-destruction. It will not be the result of what I do, but of what they do unto themselves.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Grenville-Carleton): Mr. Speaker, I wonder if I might ask the government House leader whether he can designate the business we will be covering in the next little while? I draw his attention to the answer to the question about House business yesterday in which he indicated he might be able to go further than perhaps a day or so. If in the course of his answer he could perhaps designate next Tuesday as an allotted day, I would be grateful.

May I thank him for the draft of the motion in respect of the reference of the various estimates to several standing committees of the House. If he can assure me that it is in the usual form I would be quite prepared to indicate that it would be appropriate for him to call that tomorrow.

Mr. MacEachen: Mr. Speaker, I would be prepared to designate next Tuesday as an allotted day. My understanding is that the reference of the estimates to the several standing committees is the traditional reference that is familiar to the House.

With regard to the business tomorrow, we will be continuing our debate on the amendment to the National Housing Act, followed by the resumed debate on second reading of the energy bill. I would like then, of course, for members to keep in mind the possibility of dealing with the bill amending the Judges Act. It is not an item that should provoke prolonged discussion. The Minister of Justice (Mr. Lalonde) is also interested in the possibility of dealing with a particular amendment to the Criminal Code that might be broken out of the larger bill and presented to the House.

I would also at some point like to call Bill S-6 which has come from the Senate. Of course, hon. members may keep in mind that we still have the budget bill and the excise tax bill which are very much in my mind.

Mr. Baker (Grenville-Carleton): Mr. Speaker, my hon. friend and I have talked periodically about the commodity tax review and the reference of that to the appropriate standing committee. Given the representations in the document that he and I discussed yesterday in the House, is he prepared to indicate today that he will put down the appropriate reference so it can be dealt with, on the assurance that he would be prepared to refer it to the committee without debate?

Business of the House

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I have taken note of the items of business indicated, and where discussions are necessary we shall be glad to take part in them. I regret that the government House leader has still given no indication in respect of a bill to amend legislation affecting veterans. I hope that he and his fellow maritimer, the Minister of Veterans Affairs (Mr. MacDonald), can soon get together on this important issue.

In respect of the motion to refer the estimates to various committees, I am happy to take the minister's word that it is in the usual form, but I wonder why I did not get a copy of it. I hope the minister did not put it in the mail.

Mr. MacEachen: Mr. Speaker, I can assure the hon. member that I did not withhold a copy of that reference because of his irresponsible behaviour yesterday. I overlooked that. I will make sure he gets a copy of that reference at an early date.

With reference to the observation of the hon. member for Grenville-Carleton (Mr. Baker) about the commodity tax review, I must say I am in somewhat of a quandary about making that reference. I understand the committee is dealing with the Bank Act and it has its hands full, so to speak. I will confer with the Minister of Finance (Mr. Chrétien) as to whether there would be any purpose in sending this item to the committee in light of the heavy workload presently before that particular committee.

[*Translation*]

Mr. Beaudoin: Mr. Speaker, if I understood correctly, the government House leader has indicated his intention of presenting a bill amending the Criminal Code, without debate, and I want to emphasize to the government House leader that we do not intend to let any amendment to the Criminal Code be passed without reserving our right to discuss it when it is presented to us.

Mr. Gauthier (Ottawa-Vanier): My question concerns the business of the House and the tabling of the report of the Commissioner of Official Languages the day before yesterday. I would like to ask the government House leader if he intends to refer this report to a special House or joint committee for consideration, and to urge him to do so immediately as this is an urgent matter.

[*English*]

Mr. MacEachen: Mr. Speaker, the suggestion has been made that it might be useful to send the report of the Official Languages Commissioner to a joint committee of the House and the Senate for study. That seems to me to be a worthwhile suggestion and, as I indicated yesterday, that possibility is under very active consideration.

Some hon. Members: Hear, hear!

Mr. MacEachen: It may be possible to take that step when the Prime Minister (Mr. Trudeau) returns from Toronto. I want to thank the hon. member for mentioning it. If we had a motion making such a reference it might give the House an opportunity to debate questions relating to the official languages, and would give the Leader of the Opposition (Mr. Clark) an opportunity perhaps to clear up the ambiguities that exist in respect of his policy.

[Mr. Baker (Grenville-Carleton).]

Mr. Roche: Mr. Speaker, I should like to ask the Deputy Prime Minister and President of the Privy Council (Mr. MacEachen) what his intentions are in respect of a notice of motion in his name that has been on the order paper for a week to provide a reference to the Standing Committee on External Affairs and National Defence for the consideration of Canada's foreign and defence policies?

Mr. MacEachen: Mr. Speaker, my intentions in respect of that motion are honourable.

An hon. Member: Your others were not?

Mr. MacEachen: I will call it when I get an assurance from members opposite that it will be passed without debate. I will not call it if there is a propensity to make notable, I am sure, speeches on the reference, as in my view it would be better to have the committee get on with the job immediately.

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PRIVILEGE

MR. MURTA—SALMONELLA POISONING—REQUESTED CLARIFICATION OF REMARKS OF MINISTER OF AGRICULTURE

Mr. Jack Murta (Lisgar): Mr. Speaker, I rise on a question of privilege, and I will be brief as I know this is an allotted day.

Some hon. Members: Oh, oh!

● (1510)

Mr. Murta: On Thursday, February 15, the Minister of Agriculture (Mr. Whelan), in response to a question by the hon. member for Bellechasse (Mr. Lambert) with regard to the question of the salmonella epidemic in Quebec as it related to feed purchased for the feeding of cattle, said, as reported on page 3254 of *Hansard*:

—that it comes from the province of Manitoba. It is not just coming from the province of Quebec: it is associated with a wide, wide area in Canada—

That statement is wrong. The contaminated feed that was mentioned by the hon. member for Bellechasse did not come from the province of Manitoba.

My question of privilege is that I would like at this time to give the Minister of Agriculture a chance to set the record straight and to clear up this incorrect information that he put on *Hansard* at that time.

Mr. Speaker: I must stress to begin with that the question raised by the hon. member is not on good procedural ground. I have had no notice of his intention to raise the question; therefore, I cannot entertain it as such. However, if the

minister wishes to take the opportunity to make a brief intervention, he may do so.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the hon. member sent me notice that he would raise the matter as a point of order, but it seems to have changed to a point of privilege. As the hon. member just quoted, I mentioned a wide, wide area of Canada. We know that the salmonella came from some place in Canada. It was suggested to me that it possibly could have come from some place in Manitoba or the plant in Quebec which was producing the feed.

We have done research in different plants, and we have done research as to the boxcars that carried the product. We have found a certain kind of salmonella that does not have exactly the same description as the kind which was in the feed that caused the problem with the dairy cattle which consumed it. We are still checking the plant and we are still checking on all the sources of this protein.

We did not name any plant at all; I said a wide, wide area of Canada. We know that it came from some place in Canada, and it was suspected that it came from some place in Manitoba. Manitoba is a very big province.

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POINTS OF ORDER

MR. BRISCO—AIRPORTS—REQUEST MINISTER OF TRANSPORT REVIEW ANSWER

Mr. Bob Brisco (Kootenay West): Mr. Speaker, my point of order is very brief. On February 20, 1979, I addressed a question to the Minister of Transport (Mr. Lang). Without being disputatious, I am certain that the Minister of Transport genuinely misunderstood my question or may not have heard it correctly and, in that sense, provided an incorrect answer. I wonder if the Minister of Transport would like to have the opportunity, at some later date, to review my question and respond to it in the fashion of a point of order?

MR. PAPROSKI—S.O. 43 MOTION—REFLECTION ON HOUSE VOTE

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my point of order is with regard to the motion under Standing Order 43 moved by the hon. member for Vancouver-Kingsway (Mrs. Holt) today. I think there was contained therein a reflection on the vote which was taken yesterday. There had been agreement when the division bells were called that the government whip and the opposition whip would come in in 15 minutes, but the government whip decided that it would be at five thirty, six thirty or seven thirty.

Mr. Speaker: Order, please. I did not put the question on the motion of the hon. member for Vancouver-Kingsway (Mrs. Holt). I have indicated that matters which relate to the procedures of the House are not proper subjects of motions pursuant to Standing Order 43. As soon as I heard the beginning of the content of the motion, I stopped the hon. member from further putting it. That is the only control I can have over such matters. I do not think there is anything with regard to that motion which could give rise to a point of order that we could debate on that subject now.

ROUTINE PROCEEDINGS

[*Translation*]

JUDGES ACT

MEASURE TO AMEND

Hon. Marc Lalonde (Minister of Justice) moved for leave to introduce Bill C-43, to amend the Judges Act, to amend an Act to amend the Judges Act and to amend certain other acts in respect of the reconstitution of the courts in New Brunswick, Alberta and Saskatchewan.

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

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 391, 401, 694 and 944.

I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[*Text*]

REVENUES—INCOME TAX

Question No. 391—**Mr. Herbert:**

What is the income of the government, by province, from taxes on (a) renewable (b) non-renewable resources?

Hon. Jean Chrétien (Minister of Finance): The latest data on federal corporate income tax by industrial sector is for the 1975 taxation year. Federal corporate income tax collected from the agriculture, forestry, fishing and trapping sectors, was $29.5 million; federal income tax from the mining sector (which includes non-integrated petroleum producers) was $694.3 million. Federal income tax from integrated petroleum and coal companies (that is, companies with refining and marketing activities in addition to resource production) was $390.4 million in 1975. Federal income taxes by sector for the individual provinces are not reported on income tax forms.

An impression of how federal taxes arise from each province can be gained by analysing the amount of taxable income allocated to each province for purposes of assessing the provincial income tax. This allocation is generally based on each

corporation's distribution of wages and sales by province. The following list provides this information.

Provincial Allocation of Taxable Income by Major Industry Group
1975
(thousands of dollars)

Province	Agriculture, forestry, fishing and trapping	Total Mining including Mineral Fuels	Petroleum and Coal Products Manufacturing
Newfoundland	X	880	10,610
Prince Edward Island	561	271	2,777
Nova Scotia	3,165	11,259	X
New Brunswick	3,039	2,894	11,179
Quebec	7,144	91,049	166,203
Ontario	33,301	351,301	371,986
Manitoba	6,265	45,405	40,392
Saskatchewan	25,936	104,356	53,670
Alberta	36,243	1,664,427	537,611
British Columbia	33,602	179,944	152,103
Northwest Territories	X	38,703	5,006
Yukon	24	29,644	979
Other jurisdictions	0	9,246	X
Total Taxable Income	149,675	2,529,379	1,388,232

X—Confidential because of the requirements of the Statistics Act.

Conceptually it is not possible to determine precisely in which province corporate income is earned. For example, it can be argued that income is earned where a sale occurs or alternately where production occurs. Moreover, the location of the earning of income is not, of course, any indication of the location of those who in fact bear the tax. Such an analysis would have to consider the degree to which corporate taxes are shifted forward to purchasers of the industry's product, backward to, for example, suppliers of materials and labour and financial resources in the form of lower payments for their goods and services, or is borne by shareholders in the form of lower return on their investment.

The federal government does not charge royalties or levy mining income taxes on minerals under the jurisdiction of provincial governments. Excise and sales taxes are not imposed on primary products such as logs, fish, natural gas, etc. A charge on each barrel of crude petroleum or petroleum product exported from Canada has been levied since October 1973. In the 1977-78 fiscal year this charge amounted to $431,630,-274.64. Although not specifically earmarked, revenues from the export charge assist in providing subsidies for oil imported into eastern Canada, thus enabling uniform oil prices in Canada, which are lower than international prices.

STATISTICS CANADA EMPLOYEES—BELLECHASSE

Question No. 401—**Mr. Lambert (Bellechasse):**

What are the names, addresses, duties and salaries of Statistics Canada employees in the Constituency of Bellechasse?

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): Statistics Canada employs only part-time interviewers in the constituency of Bellechasse.

[Mr. Chrétien.]

Name	Address	Salary
Clarisse Dion	Berthier sur mer	$ 5.30
Claire Lévesque	Berthier sur mer	$ 5.55
Germaine Caron	Montmagny	$ 4.65
Pauline T. Journeault	L'Islet sur mer	$ 4.65
Béatrice Bourgault	St. Adalbert	$ 5.30

ATMOSPHERIC ENVIRONMENT SERVICE CONTRACTS

Question No. 694—**Mr. Forrestall:**

Are atmospheric environment service contracts with individuals providing weather data to be terminated as a result of the $200,000 cutback announced by the government in September 1978 and, if so, which ones?

Hon. Len Marchand (Minister of State (Environment)): Yes, the ones at Blue River, British Columbia, Brooks, Alberta, Rockglen, Saskatchewan, Grand Rapids, Manitoba, Harrington Harbour, Quebec, Parent, Quebec.

CANADIAN PENITENTIARY SERVICE—OVERTIME

Question No. 944—**Mr. Patterson:**

1. For the fiscal year (a) 1976-77 (b) 1977-78, what amount of overtime was paid to employees of the Canadian Penitentiary Service and how many hours does the amount represent?

2. Is there a currently full complement of employees in the Canadian Penitentiary Service in the class of (a) Security Officer (b) Living Unit Officer?

3. Are any of the supervisory positions in the Canadian Penitentiary Service currently being filled by correction officers on a temporary basis?

Hon. J.-J. Blais (Solicitor General): By the Ministry of the Solicitor General: (Canadian Penitentiary Service and National Parole Service)

1. Fiscal Year	Amount	Hours
1976/77	13,264,427	1,126,196
1977/78	12,247,096	952,717

2. (a) No.

(b) No.

3. Yes.

* * *

[*English*]

POINT OF ORDER

MR. BEATTY—DELAY IN ANSWERING QUESTIONS

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I rise on a point of order. Yet another day has gone by and none of my questions, of which there are well over 20 in number and which have been on the order paper in many instances for several months and in some cases for over a year, have been answered. It is clear that the parliamentary secretary apparently has no intention of discharging his reponsibility to get answers to those questions. I have received information to the effect that this information is available but that it is being withheld from the House.

I think that the parliamentary secretary ought at least to indicate to the House some sort of timetable, if he does in fact intend to answer any of my questions, as to when these

questions will be answered. If it is not the parliamentary secretary's intention to act in good faith and to give answers to questions which are put on the order paper, then surely he has the responsibility to parliament and the people of Canada to indicate in a straightforward fashion that his intention is to withhold the information.

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I ask the hon. member to have the courage to accuse me of bad faith or of withholding information from the House. I wish that he would have the courage to accuse me formally, rather than making innuendoes. I have always told the House that we do our best to provide full and complete information to all members.

I would refer the hon. member to the answer which I gave him on January 30, 1979. This answer still stands. I will not accept this kind of innuendo from an hon. member who complains not at all about questions which cost the people of Canada thousands of dollars to answer. We are still working on those questions to provide him with full and complete answers. He will get the answers as soon as we have all the details.

I ask him to have the courage to make clear accusations, and then we will see what happens.

Mr. Beatty: Mr. Speaker, on a question of privilege, the parliamentary secretary has indicated that the reason why he is refusing to answer my questions is that they cost too much. I specifically—

Mr. Speaker: Order. The parliamentary secretary did not say that he was refusing to answer the hon. member's questions. He said that the hon. member was raising complaints about the failure to answer questions which cost a lot of money to answer, but he did not say that he was refusing to answer them.

Mr. Beatty: The parliamentary secretary definitely indicated that it was very costly to answer those questions. I have specifically, on a number of instances in this House, requested the parliamentary secretary to indicate to me any instance where he felt that the question was too costly to provide the information, and I would be prepared to withdraw any question for which he could substantiate such a claim. To date he has not done that. Surely he has the responsibility, if he is going to make that sort of charge in the House, to at least cough up the information and justify the charge which he has made.

Mr. Pinard: Mr. Speaker, if the hon. member would listen I just told him that even if I personally found his questions stupid and even if it does cost a lot of money to the people of Canada, we are working to try to obtain all of the information required to give the hon. member full and complete answers as soon as possible.

An hon. Member: When?

Transportation

Mr. Ron Huntington (Capilano): Mr. Speaker, I take exception to the excuse which we keep hearing on this matter of the expense to produce answers to order paper questions. I have a first hand example of a reply from the parliamentary secretary who said that an answer to one of my questions would cost $6,500. I phoned the CPR research section in Montreal, and ten minutes later they phoned me back with the answer. That did not cost $6,500. I think that there is an abuse in the use of this excuse.

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

● (1520)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—FAILURE OF MINISTER OF TRANSPORT TO DEAL ADEQUATELY WITH TRANSPORTATION MATTERS

Mr. Don Mazankowski (Vegreville) moved:

That this House condemns the failure of the Minister of Transport to deal adequately with transportation matters in this country and, specifically, his failure:

(1) to provide an adequate marine transportation policy;

(2) to maintain acceptable standards of air safety;

(3) to deal adequately with grain movement, resulting in losses of hundreds of millions of dollars to producers and to the Canadian economy;

(4) to consider hardships imposed upon communities and producers arising from the implementation of the Prairie Rail Action Committee report;

(5) to provide consistent leadership in urban transportation; and

(6) to preside effectively and objectively over the granting of tenders and the administration of car rental concessions at Canada's international airports.

Mr. Speaker: Order, please. Members will recall that proceedings on this motion will expire in accordance with Standing Order 58(11) at the ordinary hour of adjournment this day.

Mr. Mazankowski: Mr. Speaker, the substance of this motion which I have presented today on behalf of my party can probably be summed up in one word, and that word is "failure"—failure of this minister to deal adequately with problems relating to transportation and failure of this government to outline a comprehensive national transportation policy within which these problems could be resolved.

We have taken the opportunity to highlight six specific areas of concern and, in our view, gross deficiency. In singling out these six areas we hope to demonstrate during the course of debate today that this minister and government are ladened with incompetence, guilty of indecision, lacking in leadership and wracked with fatigue.

There are six examples, Mr. Speaker, but there could have been more—perhaps 101 more. For example, we could have

referred in this motion to the actions of the minister in needlessly causing tension at the Cornwall training centre where, through his inappropriate choice of words, he cast reflection upon and unjustly defamed some of the instructors who are doing a very difficult job at the institute.

We could have referred to the government's failure to enunciate a fair and comprehensive regional third level air carrier policy in this country. We have had inconsistent and ad hoc measures and policies which were clearly demonstrated in the Nordair fiasco, which company is nationalized, or privatized, and we do not know what will be the eventual outcome. Surely in an area as important as regional air carriers in this country, a policy must be enunciated so that the industry may develop and grow in an orderly fashion. Surely we need a definitive policy in order to establish the necessary infrastructures such as airports, navigational aids and other related items. There has been no policy, however, and there has been no planning.

In this motion we could have singled out any one of a dozen examples of waste, incompetence and mismanagement, as cited in the recent Auditor General's report, such as cost overruns at the Calgary airport, cost overruns at the transport training centre, cost overruns on R class icebreakers, Mirabel and Pickering; and, of course, we could have selected that new little scheme which was produced in the estimates this year, the new airport revolving fund scheme which will have the effect of hiding the white elephants. The department is clearly a mess, Mr. Speaker. Anyone reading the Auditor General's report would not be mistaken in coming to that conclusion.

We could have put the legislative record of this minister before the House. Since he assumed the portfolio of transport he has only piloted two substantive legislative measures through this institution, the Air Canada reorganizational bill and the CN bill. There were some amendments to the maritime code but most of the work was done before he assumed the portfolio.

Just the other day in the House the minister complained that he could not get any legislation through. I want to say to you, Mr. Speaker, that if the Minister of Transport (Mr. Lang) learned the meaning of the words co-operation and consultation, I am sure it would be a different story.

We offered to refer the subject matter of Bill C-20 concerning amendments to the National Transportation Act to the committee for study, but we have to ask ourselves why that committee has not been working. It has not considered any major business since last June. Indeed, it is probably the most underworked and underutilized committee of this House. The minister suggested the other day that the Tories will not allow any legislation through because they want to travel. That is absolutely untrue. I suggest to you, sir, when he says that, that he is treading on the borerline of perpetrating a deliberate falsehood.

Mr. Railton: Be careful there.

Mr. Mazankowski: I am always careful. We detect a certain amount of friction between the minister and the chairman of that committee, the hon. member for LaSalle-Émard-Cote Saint Paul (Mr. Campbell). We know that the minister wanted the hon. member for Assiniboia (Mr. Goodale) to be chairman.

An hon. Member: Who is he?

Mr. Mazankowski: He is the pampered pet. The minister thinks he needs a little higher profile because he is in trouble out there.

An hon. Member: They are both in trouble.

Mr. Mazankowski: The hon. member for Assiniboia came to the organizational meeting but he saw the troops were solidly lined up against him. He did not get his lollypop and had to resort to sitting on the sidelines. The committee came out solidly for the present chairman. We think he has been doing a good job. He has been performing his duties in an objective way, he has been independent and, above all, he has been fair.

I was speaking about the inaction of the committee, Mr. Speaker. This goes back to the relationship between the minister and the chairman of the Standing Committee on Transport and Communications with whom the minister seems to have some sort of axe to grind. I see the parliamentary secretary shaking his head in the negative. He knows there was a certain amount of campaigning before this election took place.

What we have here, Mr. Speaker, is a clear demonstration of the failure of the minister to use the resources of the committee. He has failed to use the resources of this House and the members of this House. He has failed to co-operate and use the expertise that exists in the various sectors of transportation in this country.

I am glad that the Minister of Industry, Trade and Commerce (Mr. Horner) is in the House, Mr. Speaker, as I am sure he will agree with what I have to say. When it comes to the provinces, as far as co-operation is concerned, the minister's duty to provide leadership in the area of co-ordinating national policy and in the area of defining national goals and objectives has been totally abrogated.

The minister of transport for the province of Alberta has been attempting to work with the federal government to seek redress in the area of freight groupings and better rates on processed goods, but he absolutely gave up on the federal minister. He dealt directly with the railways and he got an agreement. They signed a railway pact which would achieve those objectives. The leadership did not come from this minister or this government; they had to go it alone.

Another example is the attitude of the minister with regard to the emergency grain summit which he fought tooth and nail. He went to the first ministers' conference and was embarrassed when the premier of Manitoba called for an emergency summit. He was immediately supported by the other western premiers and was shamed into attending. It was a very good meeting. I know the minister was really surprised. When I asked a question in the House in this regard, he

suggested to me that there would be nothing going on more than organized finger pointing. This minister refuses to consult and co-operate. A tremendous amount of good will was generated as a result of that grain summit.

● (1530)

And so we have this kind of scenario. Instead of admitting there is a problem, this minister goes around the country and stands up in this House and tells Canadians that all is well. He has even taken on a mission for the Minister of Finance (Mr. Chrétien). When speaking in a debate last week, the Minister of Transport said at page 3177 of *Hansard:*

> This country is by and large in excellent economic shape.

It is in as good shape as his own department.

An hon. Member: And that is terrible!

Mr. Mazankowski: It is amazing that a man of his intelligence and knowledge would subject himself to being discredited by being party to those kinds of statements. As a result, fewer and fewer people believe the minister and this government. More and more they are finding that this government cannot be trusted any longer.

The tragedy resulting from their failure and from their broken promises, particularly in this very important and critical area of transport, is simply that many Canadians have lost opportunities. These are opportunities that could have provided jobs and could have aided in our economic recovery. These were opportunities which could have assisted many Canadians from coast to coast to achieve a sense of purpose and fulfilment. This is something which has declined more and more during the office of this administration.

I speak about lost opportunities. I want to refer to an opportunity which has enormous potential for this country. I have in mind the marine sector. Probably there has not been another segment of transportation which has been studied more than the marine sector, with the possible exception of the grain handling system. And yet in spite of that, and in spite of all the studies and all the platitudes, nothing substantive has been done for Canadians over the last 15 years to retrieve some of the benefits of the $25 billion deep sea trade that is generated in this country.

What a lost opportunity that is. How sad. It is shameful for a country like Canada to have lost such an opportunity. The drain of some $3 billion annually to foreign shipping interests should be cause for concern if not outright alarm. Surely steps should be taken immediately to at least curtail or contain that escalation, if not reverse it. This government's attitude toward the shipping industry can best be described as mere tokenism and as being shortsighted. It has failed to give the shipping sector the prominence it deserves. It has failed to foster a climate that is conducive to this very important industry's achieving its potential. It is best summed up by a statement made on behalf of the Dominion Marine Association as follows:

Transportation

> Unhappily for the Canadian shipping industry and, we believe, for the economy of Canada, dealings between the federal government and the industry have, over the past 15 years or so, come to take the form of an "adversary" relationship. We of the industry see little sign that the government has our interests in mind when transportation policies are devised and implemented. Instead, our principal contacts with the government and officials in recent years have become a matter of resisting measures devised by them, which will do nothing to improve and often a good deal to impair the efficiency and welfare of the industry.

Running resistance to the industry rather than working with the industry has been the result of the actions of this government.

I turn to another lost opportunity, namely the grains industry. Here we have failed to capture our potential in world markets because of deficient grain handling and our transportation system. This certainly demonstrates another graphic example of a lost opportunity to the economy of Canada and to Canadians.

Over the last eight months deferrals, lost sales, not to mention demurrage, have cost this country a loss in grain sales of 6 million metric tonnes. That, translated into dollars and cents, is worth $1 billion in the hands of the producer. If you multiply that through the economy—there is a multiplier effect of about 5.5—the total is worth $5.5 billion. This is a financial blow, to say the least, as far as producers are concerned, but it is a tragedy as far as the Canadian economy is concerned. The fact is that we have not increased our capacity to deliver grain since 1972-73. There has been some additional terminal capacity which has come on stream during the last few months. But while world demand increases, Canada's exports remain static.

In the meantime, since the early 1970s the United States has doubled its exports of grain. Canada is clearly on trial over the next year as far as its major customers are concerned, and particularly with respect to the Chinese and Japanese markets. We must get our house in order. We must demonstrate to them that we have the capacity to improve our system and to enlarge it; otherwise our sales will be further jeopardized.

In this connection I have two suggestions. First, I would suggest that the minister seriously consider the appointment of a grain transport co-ordinator, at least on a temporary basis, until such time as there can be some structural changes in the system, and until such time as our capacity increases. There is still poor co-ordination and poor utilization. There is still a need for a referee.

Second, I hope that the minister will stop running interference with the orderly development of the terminal facility at Prince Rupert. Grandiose schemes of a superport at Ridley Island, I suggest, will only serve to defer the project and to escalate the cost. It is the producer who must bear the cost.

What is needed is to get on with the job and with constructing a grain terminal immediately. This could be done at Casey Point and it could be started this year. The Ridley Island project will be deferred for perhaps three years or more. The Alberta government and the consortia have taken the initiative in this regard. Unless this minister is prepared to co-operate

with them he should mind his own business and let them get on with the job.

I turn now to the question of air safety. In spite of the minister's assurance, it is clear that events of the recent past, and specifically over the last 12 months, have given Canadians clear evidence that there is serious erosion taking place in public air safety in Canada. We have referred on numerous occasions to the investigation in northern Ontario. The minister promised to hire more inspectors. Today we should have about 400 inspectors; we have 308. This is a shortfall of some 80 or so. Morale is low and the numbers and declining. In the meantime, Canada's safety record has dropped from eight to thirteenth as far as international standards are concerned. The ministry's investigations revealed enforcement is generally unco-ordinated and often haphazard. There are suggestions that are even more disturbing. According to some informed sources both inside and outside the department, it is highly probable that inadequate regulations may have contributed to some degree to the Cranbrook tragedy.

● (1540)

Rather than acting responsibly, this minister chooses to gloss over the issue and play the old reassuring game that all is well. I suggest that constitutes a clear dereliction of duty on his part. We again call for a full public inquiry into the whole area of air safety so that all the facts may be known and corrective measures put in place. That is a minimum.

I wish to deal briefly with the question of urban transportation. This government has consistently failed to provide honest leadership. We remember the $290 million urban transportation scheme announced by the Prime Minister (Mr. Trudeau) at a noon luncheon on June 18, 1974. It was withdrawn, but not before a number of municipalities and provincial governments made plans based upon that promise.

In 1977 the plan was reorganized. It amounted to nothing more than a reorganization of the existing $230 million five-year program. That program has been largely ineffective because of delays, red tape and bureaucracy. Right now in the city of Toronto there are three very dangerous railroad crossings that should have been provided for under the rail grade crossing program but have not been because of delays, red tape and bureaucracy.

The railway relocation bill was heralded as a major piece of legislation in 1974. I am told there has not been one application approved under the provisions of that legislation. So much for the grandiose schemes of the urban transportation program enunciated by the Liberal government in 1974. This program can best be described as nothing more than a big burp.

I return to the question of the government's failure. It has failed to consult with its counterparts that are involved in transportation. It has failed to co-operate. It has shown contempt and disdain for parliament and has not allowed parliament to deal with the issues regarding transportation.

This government has failed to admit that there are problems in certain areas. Rather it tends to gloss over the issue. It has been stated many times in this House that the government has failed to develop a comprehensive transportation plan. In a nation as diverse and widespread as Canada, transportation is vital. It is vital to the achievement of a balanced regional economic development, to the establishment of a sound industrial base and to the unity of this country. A comprehensive national transportation policy is one of the major keys to the attainments of these goals.

There are some basic and fundamental principles on which an effective transportation policy should be based. First, provincial and municipal governments, and indeed the users of transportation services, should be more directly involved in the formulation and implementation of policies and objectives. We need realistic consultation. There must be prime objectives in the formulation of government policy. As well, parliament must once again become the primary forum in which transportation policies and issues are resolved.

Second, the transportation policy should be an instrument for the attainment of national and regional goals. We on this side reject, as I am sure does the Minister of Industry, Trade and Commerce, the user-pay concept of the Minister of Transport. The minister has said that before in this House and I am sure he will not change his mind. Transportation policies should be used to enhance the competitive position of Canadian producers and processors. Our transportation policy should encourage the development, further processing and manufacturing of our renewal and non-renewable resources in those areas where they are produced.

Third, a new transportation policy should include the reduction and simplification of the regulatory process. The present complex and bureaucratic system of regulations and red tape should be simplified through an orderly process of deregulation. The sunset law principle and a genuine commitment to privatization should be applied.

Fourth, a transportation policy should encourage increased competition. Where effective competition does not and cannot exist, an effective and workable mechanism must be put in place to ensure protection to the captive and near captive shipper.

Fifth, the Department of Transport should be reorganized to provide for improved ministerial control and accountability. At the present time the Department of Transport has over 21,000 employees and consists of three administrations. These are subdivided into 2,000 responsibility and cost centres which are responsible for the administration of 100 separate and distinct programs and activities. In addition, the department oversees the operations of the airport revolving fund and the operations of some 13 Crown corporations. This structure should be reorganized to make the department more responsive to the different modes of transportation, to allow for more effective ministerial control and to improve accountability to parliament.

In order to be effective, these principles must not just be nebulous statements by the minister but put into the context of a new national transportation plan or act. Our present National Transportation Act is out of date and is inadequate for providing that kind of framework. One of the first priorities is

to get on with the job of bringing in a new national transportation act. Canada must not be allowed to enter the next decade with a transportation system based on the last one.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I am always amazed when the Tories rise to talk about problems in transportation. They resort to so many obvious falsehoods and distortions in approaching the question that their credibility surely must fail altogether.

● (1550)

In his preliminary remarks, the hon. member for Vegreville (Mr. Mazankowski) talked about our having passed only two substantive measures through the House, although he admitted there was a third to which he wasn't paying attention because he thought it had some pre-history. In that case, I guess we should get some credit for the nine or so measures on the order paper which have not been proceeded with because of the amount of time members of the Tory party insist on spending on whatever subject comes up, making speech after speech. And then, yesterday, they resorted to the childish tactic of adjourning the House, stopping the business of the House altogether. That is the kind of conduct which has gone on in delaying legislation time after time.

Some hon. Members: Hear, hear!

Mr. Lang: The hon. member was stating a complete untruth in referring to any intention of mine in relation to the committee and the hon. member for Assiniboia (Mr. Goodale) as chairman of it. I guess he resorted to that tactic for his own reasons. He was completely wrong in implying there was any lack of consultation between me and my officials, my staff, the users and the transportation industry. Indeed, I would venture to say that almost every organization involved with transportation wishing to have direct access to me or wishing to contact officials in Transport Canada has found that they can do so. Over the last three and a half years almost every one of them would tell you, Mr. Speaker, that they have had more consultation than ever before and are satisfied with the degree to which we try to take account of their views before moving on a particular transportation issue.

The hon. member was also completely wrong—it was absolute distortion—in saying I fought tooth and nail against a grain summit with the western premiers. Indeed, when the suggestion appeared at the first ministers' conference I replied immediately that I thought it was a good idea. When Premier Lyon wired and suggested a date in January which was not possible for me, I replied suggesting a date in December for that conference and I attended it with delight. I was delighted at the results because at that conference the premiers, in the presence of the leading members of the grain handling and transportation system, saw that essentially all the things that needed to be done in connection with our transport and handling of grain could be done, including the selling of it, and that we could realistically set a target for export of 30 million tons for 1985, a target at which the hon. member for Vegreville had long scoffed when I suggested we should build for a billion bushels of export. Well, we are now talking about a higher target than that.

At that conference one of the things we all recognized was that if we were to achieve these new levels of exports—50 per cent higher than current record or near-record levels—one of the key things was to continue the encouragement of production of wheat, barley and particularly rapeseed in the prairies, and that all of us had to talk together about the possibility and prospect for this in order that farmers would agree to use the fertilizers and chemical sprays which can allow such production to occur.

One of the reasons, we do not have more capacity for exporting grain today is that it took so long to persuade even the elevator companies involved in terminal construction to go ahead with expansion in Vancouver where it was seen to be most needed, although I immediately emphasize for those interested in the movement of grain through the Thunder Bay area that we foresee increases there as well. It is simply that the increases out of Vancouver and out of Prince Rupert are of an order of magnitude so much greater.

Hon. members might note that the actual construction of additional facilities by the elevator companies, including even the farmer-owned companies, did not come about until we had put in place, through the Canadian Wheat Board, incentives to encourage them to go ahead. That was because they were concerned as to whether production would keep up with exports. What hon. members who are not from the prairies may fail to recognize is that we are exporting record volumes and only have the extra grain on hand because we have had absolutely record crops over the last three years, and that in many previous years we exported more grain than we were actually producing. That is a fact that is very important in our over-all approach to the problem of transportation.

I suppose where the hon. member is most amazing is in his ability to stand as a transportation critic and say that he thinks we did not do right in not developing a comprehensive policy on transportation. I was amazed the other day to find that he and his colleague from Winnipeg South Centre (Mr. McKenzie) failed to know how open our department was with thousands and thousands of documents available for inspection. He, as critic for transportation, missed this very important fact which should have been fundamental to his work, and now I find he does not know there stands a full statement of policy on transportation from 1975, a statement which is comprehensive and which meets the needs of today as well as it did at that time. And our actions reflect the practical application of that policy.

He ended up with some pious principles, many of which reflect ideas which are contained in far more elaborate form in our own statement of policy. And there is another thing he has failed to understand. He appears to say we should have amended the National Transportation Act. Mr. Speaker, we have before this House, as we did earlier, a bill to amend the National Transportation Act, and let it be understood that in a previous parliament when that act was before us the Conserva-

tive opposition made it clear they were going to filibuster it and extend the days of debate of that bill virtually endlessly.

Mr. Mazankowski: Talk to your colleague!

Mr. Lang: These amendments to the National Transportation Act stated in clause 3 proposals and principles affecting transportation which were carefully agreed upon and negotiated as being perfectly satisfactory with the premiers of the Atlantic provinces. They contained provisions in regard to freight rates and controlling maximum rates which directly reflect western interests. One of the reasons this bill did not carry on to its conclusion despite the filibuster was that my colleagues were amazed at the fact that though it was a bill in direct answer to western demands to deal with short haul-long haul rate discrepancies, western demands to put in place control over freight rates which are too high in some cases, that very bill was filibustered by western Tories one after the other.

Some hon. Members: Hear, hear!

Mr. Lang: Mr. Speaker, the hon. member for Vegreville said he did not like our marine policy. We have elaborated a specific policy with regard to shipping which in many of its aspects is designed in detail to meet the needs of today. The fact is that shipping conferences, arrangements between nations and potential United Nations arrangements put us in a position where we may need an ability to respond, and we have indicated our intention to come forward with legislation in that regard.

Of course, there are specific interests which would like us to take additional measures. We have indicated our special preference for Canadian shipping in the Arctic, and this can be a very important matter in the development of Arctic technology and Canadian shipping. But we have repeated our view that as a matter of policy low-cost shipping is extremely important to Canada, to its importers and to its exporters. If the Tories do not yet know it, this country lives on its exports, its imports, its trade, and we do not want protectionist policies in regard to shipping any more than we want them anywhere else in trade.

We are creating an environment for shipping where we can protect ourselves while still gaining the advantage of the economy of lower-cost shipping in the world. We drew the line, and will draw the line, at the protection of ocean-going shipping which will cause higher prices to the shippers of Canadian goods.

● (1600)

The hon. member for Vegreville is laying the groundwork for his colleague from Dartmouth when he announces support for this kind of higher-cost shipping, but I am a little surprised that the hon. member for Vegreville would support that policy. Of course, it is a fact that we find one Conservative policy today cancelled tomorrow and a new one the following day, as we saw with regard to deficits and with regard to negotiating sovereignty-association. We also find the Conservative party enunciating on the same day two different policies for different parts of the country so that it can appear to have the best of both. That is perfectly suitable to a party in the opposition so long as it remains in the opposition, because that kind of lack of responsibility can be exercised only when a decision does not have to be made. The Conservative party can have it both ways in all parts of the country.

I suppose the hon. member for Vegreville would make it sound as though we had done little with regard to transport in Canada, but I remind him of the operations of Canadian National Railways and Air Canada, both of which any non-partisan observer and perhaps even partisan ones—perhaps even some Tories—would admit are being operated more effectively and more sensibly and with more productivity today than ever before. In both cases—and I hope this does not offend my friends in the New Democratic Party—they are now being operated at a profit. Profit is, after all, a payment for capital invested, and I hope even a New Democrat would admit that you need a return on investment if you expect investment to continue.

It is true that with regard to Air Canada and Canadian National we could, as presumably we did in days gone by, say that they are government-owned and that the government will go on investing even if it does not get a return. Of course, where that was so unfair and wrong was that it discouraged proper management attitudes and effectiveness within those Crown corporations. It also was completely unfair to the competitors of the airline and the railway, whether competitors in trucking, on other railroads, other airlines and the like. Therefore, we are moving toward principles under which effective operations will be a test, and reasonable return on investment will be expected.

We have begun to see this happen. The hon. member for Vegreville did not mention VIA Rail, with which we have taken a completely new approach to rail passenger policy. We now have a management dedicated to trying to make good sense out of our rail passenger service and to offering it again to attract people back to rail as a way of moving about this country. We already find 15 per cent or so increases in the number of people riding, and this is while we have made only a beginning. We have made only a beginning because we have some new equipment, but the important new equipment, the ten new, light, rapid, comfortable and Canadian-made trains which are on order will be available for the track only in 1980. At that time we will see a whole new chance at offering service through VIA Rail. Surely we have made sense out of what had been a deteriorating rail passenger service, and we will continue to try to provide better and more effective service.

Incidentally, in the delicate and difficult negotiations in bringing VIA Rail together out of Canadian National and Canadian Pacific, and in having to deal with employees who were in both these railways and in part moving to the new railway, VIA Rail, we had some of the best working relationships with union leaders one could ever want to have in arriving at arrangements and agreements which they have said were an example for others to follow.

Some hon. Members: Hear, hear!

Mr. Lang: From one part of this country to the other we have been dealing with specific transportation problems within the broad framework of attempting to have an effective and efficient system but one which is always conscious of social needs and of the need for economic development. After all, this government and this Liberal party have long been in the forefront with policies to encourage the economic development of those areas where growth would otherwise be a good deal slower. Regions like the Atlantic region, from which the hon. member for Dartmouth-Halifax East (Mr. Forrestall) comes, have long recognized the importance to this country of the Liberal policy of regional economic expansion, moving the country forward and attempting to promote development. This policy emerges in our willingness to improve air facilities where the actual demands of traffic would not appear, on a dollars and cents basis alone, to justify those improvements. I think of the improvements currently going on at the Wabush, Charlo, Gander and St. Leonard airports. I think of some of the airports in the maritimes and the investment for regional development.

This clearly emphasizes our belief that areas where we want development to be encouraged require significant transportation expenditures, and we are prepared to make them. When we have little problems or problems of a specific kind, we attack them in a specific way. The farmers of Prince Edward Island and New Brunswick were extremely concerned two years ago about the situation with regard to shipping their potatoes. They were concerned that old reefer cars were coming to the end of their lives, and they wondered where they were going to go. We created a working group composed of government representatives, railway representatives, representatives of potato marketing boards and producers and representatives of the provinces to tackle the problem on all fronts and to see what needed to be done. We learned the number of cars which were required. We found a way to ensure that when trucks were not available, insulated boxes got into the movement. Port improvements were made so that the receiving of that product could take place to the satisfaction of the people involved in its shipment. We acted directly to deal with their problems. We were required to ensure that the railways would have adequate cars, adequate in the view of the producers themselves and adequate for their marketing operations. We made arrangements to provide cars by taking on certain financial obligations against the risk of those cars not being used.

The hon. member for Vegreville comes from an area where grain is produced. He is a prairie member, yet in talking about transportation he did not seem to think it worthy to mention $1 billion of expenditures already committed to the improvement of our grain handling and transportation system. Pursuant to government policy 8,000 hopper cars were purchased to ensure that there was more capacity for the movement of grain. I think of the $700 million to $800 million program for rebuilding branch lines on the prairies. For years, including years when there was a Tory government with a prairie prime minister and when most members of parliament from the prairies were in that government or on government backbenches, nothing was done to create certainty or a future for the whole branch line and grain handling system on the prairies. Not a thing was done because they were afraid, in typical Tory fashion, to act.

The hon. member for Vegreville started out by talking about lack of decision and leadership. Those are not things usually laid at my doorstep. The hon. member is usually more apt to say I display too much of that, but I have always known of the political warning that if you stay away from problems, you are likely to be able to escape a lot of heartache because even solutions to problems have their own problems, as seen by the people they are meant to serve. I have never been a believer in that. I believe in looking at the problems facing the grain farmer and the grain handling and transportation sysem. This is true of others areas of transport. I believe in tackling problems, even at the significant risk of adverse reaction or worry about change.

● (1610)

I am used to hon. members opposite thinking up slogans. When we created a new quota system in 1970, they said it was going to damage the family farm and that Lang was out to hurt the family farm. That was their great cry in those days. Today farmers would not go back to the quota system we had before, which was disorganized. Can you imagine, Mr. Speaker, what the prairie Tories, having been in government for six years, left behind in terms of the management of the grain system? When quotas were open, there was no way of predicting what kind of grain was going to be put into elevators, whether or not it was grain that was wanted. There was no way of knowing whether the grain that was going to be shipped was the grain that was wanted at the terminals. It was only because in those days they were shipping so little grain that they could afford this haphazard system of letting the wrong grain go on the wrong day without much regard for it. The Wheat Board told me, when I became responsible for grain matters, that it used to have to order two bushels of grain for every one they wanted because 50 per cent of the grain that arrived was unwanted grain in terms of their shipping program.

In those Tory days we were exporting 300 million or 400 million bushels of grain a year. Since 1969, when I became responsible for grain transportation, the figure has been almost invariably 700 million bushels of grain or more, and of course in the last four years, including this year, over 800 million bushels of grain were exported.

Some hon. Members: Hear, hear!

Mr. Lang: But, Mr. Speaker, we do not talk about that as if it were a plateau on which we should rest, even though last year and this year we were setting records. Now we are talking about going 50 per cent higher six years from now, up to 30 million tons, 1,300 million bushels, for export, figures that dwarf anything the hon. member ever dreamed of.

Some hon. Members: Hear, hear!

Mr. Lang: The hon. member ignores the billions of dollars in the grain handling and transportation system. He says I should butt out of the Prince Rupert situation. I am really amazed at the hon. member, who I think is the only living Albertan left who thinks that Casey Point is the place to put a terminal. It is true that a spokesman for BCDC still says so, although the British Columbia government has agreed with us that the right place for the terminal is Ridley Island. But they do not agree with their own development corporation. The governments of Alberta, Manitoba, and Saskatchewan agree with us that Ridley Point is the place to put our grain terminal, such as we are suggesting be put in Prince Rupert. Do you know why, Mr. Speaker? Because the moment we started talking about a new grain terminal at Prince Rupert of ten million bushel capacity plus 20 million bushel surge, there was no possibility of building that kind of terminal at Casey Point; but the hon. member wants us to go back and build it there.

Of course, if the people in the elevator consortium wanted to go ahead with that kind of construction, it would be perfectly open for them to do so and nothing would stand in their way. But in fact what they want are certain arrangements with regard to Prince Rupert which we are pursuing and which do in fact involve our active participation. The hon. member praises the government of Alberta. It is true that they offered to lend them $100 million if that were needed. It is made to sound as if it was great largesse, but, after all, with the heritage fund around, they are looking for people to whom to lend anyway. I am not sure how great an act that was, but let that lie and let the hon. member understand that it was not as great an act and that the really important act is still to come.

What I want the hon. member to know is that I believe firmly that we will be moving forward with the Prince Rupert terminal, and I want him to know as well that, as in the past, we will be ensuring that the grain system for handling that grain, the whole rail system, and the rail system for handling all the other thousands and thousands of tonnes of products, will be put in place. The hon. member ignores the fact that the two major railways in this country have been continuing to expand significantly their capacity to handle potash, coal and sulphur as well as grain, and that they have been doing it as a result of the encouragement to ensure that the necessary capacity was there. For instance, the necessary cash flow for the Canadian Pacific to go ahead with major improvements in the Rocky Mountains, to virtually double track certain stretches and to eliminate the last of the steep grades, results from two specific measures for improved tax arrangements for the corporation in the two recent budgets which have allowed them to have the cash flow to go ahead with these improvements.

That is an example of the kind of foresight we have had in ensuring that transportation would benefit in all parts of this country. In the Atlantic provinces we can take a look at the ferry services and at the improvements there in terms of new vessels put on stream and new management put in place as we move toward more sensible transportation and action.

Our air policy has produced strong airlines and will produce stronger ones. The hon. member is not able to understand all of the complexities of strengthening regional airlines, but I want him to know that I do not think the people most directly involved in the management of those regionals have the kind of doubts and worries he has. I want him to know that they have no such worries, in part because of our regular meetings together on airline matters and on what needs to be done to make the airline service in this country more effective.

When it comes to Canadian travel, we encourage the development of every possible lower fare that the airlines can put forward. We asked the Canadian Transport Commission to review its charter regulations and to relax them in order to allow for more charters. They did so to some extent, and when they did not do as much as we thought they should, we altered their decision and allowed for more charters. We encouraged the main airlines to offer charter competitive fares. The delightful thing about those is that they are available between all kinds of different points in the country, not just between the major cities which the key charter operations alone would serve, and that is important. But we are not satisfied to rest there; we are going ahead working and waiting for the additional changes in the regulations which will allow that to happen. We do not treat it either as though it were a simple thing.

The hon. member for Vegreville has expressed the Tories' approval for deregulation. It is interesting that again here Tories in opposition agree with the current American wave of deregulation, but Tories in government, in Ontario, for instance, or in Nova Scotia, New Brunswick, Newfoundland or Manitoba—

Some hon. Members: Go on.

Mr. Lang: —have not moved to deregulate their trucking industry. The trucking industry is one of the most regulated industries. Do the Tories in power take action to deregulate the industry? No. But of course, Tories do not necessarily need consistency from one part of the country to the other, from one day to the next. They do not need consistency because they are trained for the opposition. They know how to do the opposition job in one way in one part of the country and in another way in another part of the country, and that is where they should stay. However, they have not quite kept up to their traditions by allowing what they say to be heard. They have had to reverse themselves, as is their new tack these days. Today it is this, tomorrow that. They will negotiate sovereignty-association, and then they will not negotiate sovereignty-association.

Some hon. Members: Four-fifths.

Mr. Lang: Then they attack the deficit. They say that deficits are bad for this country. We have heard that time and time again. Except I must admit that at every budget it seems to me they have one spokesman saying that another $1 billion would be exactly right and another spokesman saying that another $1 billion less would be exactly right. The hon. member for Don Valley (Mr. Gillies) and the hon. member for

York-Simcoe (Mr. Stevens) have this tweedle-dee and tweedle-dum act going on between them. But then their leader revealed all to us when he said that Tories think that big deficits are bad, but in the immediate period we will have a bigger deficit because the way to have a smaller deficit is by having a bigger one. His words were still echoing in the television chamber when the hon. member for York-Simcoe found that to be too much for his Toronto friends. He said that surely the Leader of the Opposition (Mr. Clark) only meant this would last one month, two months or three months, that it would be a short-term deficit which would then disappear.

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the minister but the time allotted to him has expired. He may continue with unanimous consent. Is there unanimous consent?

Some hon. Members: No.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I want to thank and congratulate my good friend, the hon. member for Vegreville (Mr. Mazankowski), for presenting his motion today on behalf of his party and giving the House a chance to discuss transportation. The hon. member for Vegreville and I have done this on numerous occasions in the almost ten years that he and I have been here, and we still have to put up pretty well the same arguments to the Minister of Transport (Mr. Lang) that we did ten years ago.

● (1620)

I think we can support the motion, but later on toward the end of my speech I intend to move an amendment in the following words:

(7) to implement the Hall royal commission report recommendations with regard to statutory rates;

(8) to ensure that transportation be used as an instrument of national policy rather than an instrument to make profits.

In 1974 the Liberals made glowing promises to improve the transportation system, and judging from the election results the program they promised received support from a majority of Canadians. Since then the commitments have been abandoned. There is a list of broken promises as long as your arm. The hon. member for Vegreville listed some and I will list more later.

Before I speak to what is in the motion I should like to speak to what is not in it. For a century Canadian transportation policy has been plagued by the myth that competition, profits and free enterprise would solve our problems in transportation. When are we going to stop being made fools of by this giant con job? We have a small population scattered over a great deal of geography, with extremes of climate and markets that are fragmented. It seems to me that that calls for co-operation and sharing of the cost of transportation by the nation as a whole.

Transportation companies have been taking large profits out of the consumer's and taxpayer's pockets, and now that the government has made the CN more commercial and businesslike the CN has increased its profits from $28 million to $136 million. That figures out to about a 383 per cent increase in one year.

CP Limited increased its profits 31 per cent, from $247 million to $325 million. Air Canada's profits are up 135 per cent. CP Air increased its profits by 506 per cent, but it still provides inadequate service. It still does not provide enough rolling stock or adequate facilities of a reasonable standard.

These companies have been siphoning off profits and putting them into the pockets of shareholders instead of reinvesting a larger portion in rebuilding, enlarging and improving our rail and air systems. The taxpayers are headed for more stormy weather, and the Canadian traveller will be facing higher fares if either the Liberals or the Conservatives succeed in turning our transportation system over to the tender mercies of private enterprise.

The Minister of Transport wants to privatize Air Canada and the CNR. So does the Conservative financial critic, the hon. member for York-Simcoe (Mr. Stevens). In May 1977 he said:

I suggest it is time to stop counting and start subtracting. It is time to begin divesting ourselves of some of these Crown corporations rather than creating new ones.

In that context he was referring to Air Canada. It was the people of Canada through their government who built a national airline when private enterprise would not touch it with a ten-foot pole because it could not make a fast buck. Now that there is some profit, private enterprise wants the gravy. Where was private enterprise when we needed it?

On March 3 of last year the hon. member for York-Simcoe said:

If this government was serious in trying to orient the CN to a more businesslike approach, why will they not let the private sector buy into the CN?

As if we have not had enough grief with CP, that hon. member now wants to let the same breed of cats into the CN. Just so there is no confusion about Tory transportation policy, I remind the House that the Leader of the Opposition (Mr. Clark) wants to give the CPR more airline business. When will the official opposition learn that you cannot depend on the CNR to provide fair, equitable service at a price that consumers can afford?

While the Leader of the Opposition was busy attacking Petro-Can, the only major oil company in Canada that is not foreign owned, he was walking across this country defending the CPR. Imagine defending an outfit that owes the people of Canada $500 million in deferred taxes, has received hundreds of millions of dollars in government handouts, that sabotages grain movement and then will not even tell us how much the chairman is paid. We had to find that out from a U.S. authority.

It was the official opposition that persuaded the government to amend Air Canada legislation to require Air Canada to operate in contemplation of profit. That can only mean one thing—reduced service to Atlantic Canada, the prairies and outlying regions where there is not the volume of traffic to sustain profits.

It is time for us in this country to make our transportation companies serve the people rather than profits, and while I would be the first to admit that the Liberal government has been a failure at improving the facilities for moving freight, it has been a disaster at improving facilities for moving people.

During the last election campaign the Prime Minister (Mr. Trudeau) promised $290 million over five years to improve urban transit with the government contributing to capital improvements. That promise has never been kept. The actual program announced last year involves little or no new funding, and now we see the CPR increasing its commuter fares in Montreal by 35 per cent and the CNR increasing its fares by 50 per cent.

During the last election campaign the Prime Minister promised to establish transcontinental excursion trains to supplement existing transcontinental services. Instead, the Liberals want to cut back transcontinental service across Canada. The government had a report prepared by IBI consultants recommending abandonment of two of the three long distance services between Montreal and the maritimes.

During the 1974 election campaign the Prime Minister promised to bring into service high speed trains to serve the Quebec City to Windsor corridor, Atlantic Canada to Quebec, Edmonton to Calgary, and Vancouver to Chilliwack. That was five years ago and not one new train has been put into service since then. In fact, we have lost trains. The government has only ten train sets on order for the whole of Canada. That will not even replace old equipment that is and will have to be scrapped. We will end up even further behind than we are now.

The train from Ottawa to Toronto takes five and three-quarter hours at an average speed of 48 miles per hour. The train from Edmonton to Calgary averages only 55 miles per hour, and the government's agency, VIA Rail, plans to abandon that service. No wonder no one will get on the train when a jackrabbit could make the trip quicker. Until we get high speed inter-city trains that average 125 miles per hour to 150 miles per hour, we will not have an incentive for people to leave their automobiles at home and take the train instead of the bus or the plane.

I note that in Alberta the NDP has promised to spend $500 million to improve the Edmonton to Calgary rail corridor. That is the kind of program needed across Canada, in the maritimes, in central Canada and in the west. Massive investment is required to improve our railways, the most efficient energy mode of travel following water carriage. By improving our railway system's capability to carry people we will improve its capability to move freight. That would mean more jobs and more industrial development.

The Liberals promised to revamp the entire grain handling system in 1974, from the farmer's granary to the ships in the harbour. They promised a national freight car leasing corporation and to purchase a reserve freight car fleet. That has not happened.

[Mr. Benjamin.]

I want to remind the Minister of Transport that if he were to enforce section 262 of the Railway Act, which provides that the railway shall provide suitable accommodation to load, transport and unload all traffic offered, and if he implemented the major recommendation of the Hall commission on statutory rates, the railroads would have the funds to rebuild and rehabilitate the railway lines and to purchase cars and locomotives. They would have the majority of the funds needed. The Government of Canada could advance any additional funds at low interest that the railways may need.

It is not just the lack of grain cars that is causing a problem. Since the end of the Second World War we have been short of rolling stock. If you talk to the potato growers in P.E.I. and New Brunswick, they will tell you the problem has existed for 50 years, that they have never had sufficient cars to move their crops. If you talk to the fruit and vegetable growers in southern Ontario, they will tell you there is never enough equipment. Talk to the hon. member for Medicine Hat (Mr. Hargrave). He and thousands of others in the cattle business will tell you, Mr. Speaker, that there has always been a shortage of stock cars when the time comes to move their livestock.

Talk to the people in the lumber industry, Mr. Speaker. When a major shipment of lumber is to be moved for export and to the domestic market, there is a chronic shortage of railway rolling stock, and that is the case with commodity after commodity. The railways have never lived up to their legal liability under the Railway Act of Canada.

• (1630)

The minister talked about 700 million to 800 million bushel years, and that is great. The tragedy is that in the past year we could have had another three million tonnes of sales to China, a country which prefers to deal with us. The Chinese are grateful for the good and fair treatment which we have given them over the years. The Wheat Board could not tender because they knew they could not deliver an additional three million tonnes and that there was insufficient rail capacity to move that additional grain to the west coast. The Canadian Wheat Board commissioner said that the prairie farmers had lost $450 million, or $3,000 each, during the calendar year 1978 because of Canada's inability to deliver more grain for export.

The board has identified the number one problem in grain transportation as lack of grain cars. The railways continue to take an average of 1,800 boxcars out of grain service each year and, as a result, the farmers have been blackmailed into paying for 2,000 new hopper cars, which is the responsibility of the railways and of the government. I do not condemn the Canadian Wheat Board. I do not like the fact that they had to order hopper cars, but it was a desperate, last resort move which it felt it had to make to protect our export markets and to provide us with the capacity to move the volume of grain we are moving now.

We welcomed and supported the purchase of 8,000 cars by the government. But the Minister of Transport has been

double-crossed, the government has been double-crossed and the people of Canada have been double-crossed because we have a lesser capacity to move grain by rail now than we had at the end of 1972. The railroads have removed more cars from grain movement than the taxpayers have put into it since 1972. We are worse off now in our capability than we were at the end of 1972.

The Canadian Wheat Board has called for the purchase of another 10,000 cars, and they must be put on stream at the rate of 2,000 or 3,000 cars a year starting now. They must be purchased by the railways or by a combination of the railways and the government. But beyond that, hundreds of millions of dollars should be invested in other kinds of railway rolling stock and locomotive power. Over the next ten years we should invest a minimum of $1 billion a year for ten years just in our railway systems and urban transit systems alone.

The minister talks about $1 billion, but he forgets to tell the House and the people of Canada that in his books that money is spread out over a period of about eight years. That time frame should be cut in half to get rail lines rebuilt and rehabilitated. The minister should also act immediately to reject the branch line recommendations by the Prairie Rail Action Committee, and not make those communities, grain producers and all the people concerned in the areas affected go through this exercise for the third time around. They have gone through this exercise with the Hall commission, with PRAC, and now they have to go through it again with the Canadian Transport Commission.

The chairman of the Prairie Rail Action Committee has said that it is always cheaper to truck grain on light density lines than it is on high density lines. I do not grant that that statement is true because there are even exceptions on light density lines. I wish that the minister and the Prairie Rail Action Committee would explain their recommendation to abandon hundreds of miles of high density track, which amounts to as much movement as 110,000 to 120,000 bushels per mile of track.

The Minister of Transport tells us that this is getting rid of the uncertainty and that it will rationalize and make more efficient our rail system in the prairies, but the minister in charge of the Canadian Wheat Board says that we are going to have to increase production—and he is right because the Canadian Wheat Board has said it—by another ten million tonnes by 1985. That means that the rail lines which the Prairie Rail Action Committee recommends should be abandoned will be high density lines, and all of them need to be retained. Not one of those abandonments should be proceeded with.

I am confident, Mr. Speaker, that our grain producers can reach that level of increased production and that our farmer-owned elevator companies can handle it. The expansion at the ports of Vancouver and Prince Rupert will be able to handle it, but our rail system cannot handle it. Taking up track is no way to improve our handling capacity.

The Prairie Rail Action Committee exceeded its terms of reference in two instances. It recommended the abandonment of the Lewvan subdivision, about 107 miles of track, which the Hall commission recommended should be put in the basic network and which the minister did put in the basic network. The Lewvan subdivision is none of PRAC's business. They have no business whatsoever recommending the abandonment of a line in the basic network. Their terms of reference ask them to look at the role of lines in the basic network and that is all. The minister had better reject that abandonment recommendation out of hand.

PRAC also exceeded its terms of reference when in its reports it repeatedly referred to competition. There is nothing in its terms of reference which allows them to use the criteria of competition in arriving at their recommendations. The Prairie Rail Action Committee had no business butting in. If the competition is needed it will be the grain producers who will decide and the grain companies. We do not need this outrageous attempt by the Prairie Rail Action Committee to manipulate grain companies.

I find it strange that most of their abandonment recommendations are on lines where the large majority of elevators are owned by the farmers themselves. The minister had better reject all those applications. The minister says that the CTC can make a final decision on a line. That is not so. The federal government can put any line it wants into the basic network. The minister could do it tomorrow by order in council. If the CTC rejects an abandonment application by the railroads, they must review that line within every five years and uncertainty remains. I have had no guarantee or commitment from the minister that where the CTC rejects an abandonment recommendation by PRAC he will put it into the basic network.

Mr. Lang: You missed it.

Mr. Benjamin: If he said that, Mr. Speaker, then I am happy. But why will he not put those PRAC lines into the basic network without having to go through the CTC hearings?

I move, seconded by the hon. member for Yorkton-Melville (Mr. Nystrom):

That the motion be amended by adding at the end thereof the following words:

(7) to implement the Hall royal commission report recommendations with regard to statutory rates;

(8) to ensure that transportation be used as an instrument of national policy rather than an instrument to make profits.

The minister still has time to put into gear the funding and the policies necessary to implement what is needed for transportation in Canada.

In closing, I would like to make a brief reference to my own constituency and ask the minister to please get something done about the situation in Regina with regard to a number of areas. We are sick and tired of being treated like a backwoods village. The airport was congested enough with two airlines in and out plus the private aircraft, but now the minister has put a third airline in there. There was not room for two. Now there is congestion every day and the nonsense of forcing passengers on charter flights to land in Regina, fly on to Calgary to clear

customs and come back to Regina the next day. It is incredible.

Even if the minister has to instal a temporary building immediately in front of the airport building to house customs, a place which will handle at least 100 people, then it should be done. This whole restraint and cutback nonsense, this mindless proposition 13 syndrome of cutback and restraint is showing its results. We are losing our weather office, there is the customs problem, the excise facilities are being cut down and RCMP training is being cut down. The Minister of Transport can see that Regina and a host of other small and medium-size cities in this country are in the same situation. Several more billions of dollars should be invested in transportation to serve them.

● (1640)

Our transportation systems must be set up so that they can cross-subsidize and provide a reasonable equality of service to remote areas in the north as well as to the Atlantic and prairie provinces to ensure that people are not discriminated against because of where they live or produce their goods. That is the only way a transportation system in a country like Canada can operate properly.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I am pleased to take part in the debate this afternoon. I must say that the minister has risen above himself in attaining a level of obfuscation in his interpretation of the facts. It is a little difficult even to accuse him of intellectual dishonesty. I think he has attained a level of complete self-delusion if he believes that the only factual comment on transportation in this country must flow from his lips.

His charges that the hon. member for Vegreville (Mr. Mazankowski) resorted to falsehoods is sheer balderdash and the minister knows it. I am quite prepared to accept that there are difficulties in dealing with the subject in depth in thirty minutes, but the casual selection of data made by the minister to suit his political purposes is not acceptable. I will be surprised if it buys him a vote in Saskatoon, and I am sure that it will not hurt the hon. member for Vegreville at all. On balance, I think the hon. member put a lot more thoughtful preparation into his comments than did the minister.

As the hon. member for Vegreville indicated, the motion only gives a partial list of the minister's failings. As a sort of academic exercise a few months ago we listed 1,001 failings, any one of which would have been sufficient grounds for his resignation. We have only put forward half a dozen failings today, and our colleagues to the left have added two more very reasonable ones.

[Mr. Benjamin.]

Over the years the minister has rejected suggestions for reorganization of the department which would make it more responsive to the consultative process. He has rejected the reorganization that would permit good ideas to be sifted, considered and find their way into legislation or regulations. That is regrettable. Transportation is in a mess in this country, for the simple reason that no man, not even the Minister of Transport (Mr. Lang), can properly and adequately cope with the myriad of details and the complexity involved in national transportation.

We have not delayed legislation, as the minister suggested, Mr. Speaker. He has brought forward several pieces of very specific legislation but he does not have in place his amended National Transportation Act although the present one is 10 or 12 years old. It is reasonable to suggest that the minister should bring in the amendments to the National Transportation Act so that we would have a background against which to consider the various pieces of ad hoc legislation he has brought in to meet specific situations.

It is interesting to note that the minister acceded to that. He did bring it on but he did not move to debate the matter in the House. He rejected out of hand our suggestion that if he wanted to move the legislation forward in this parliament, all he had to do was permit a day or two of debate on the amending bill and implement referral of the subject matter to the Standing Committee on Transportation and Communications.

My colleague's charge that this committee has not met is serious and factual. It is a matter of some regret that it has not been at work on matters of importance to the Canadian people. I would remind the minister that the offer to refer the subject matter of the bill to the committee where it could be discussed and witnesses called is still open. The bill could be strengthened in this way; then we could go on with consideration of the legislation that is so badly needed to assist transportation in this country.

I should like to deal with one aspect of transportation, Mr. Speaker. I am not sure that even the minister believes that we have a national marine policy. I give him credit, however, for having tried for the better part of a year to convince his cabinet colleagues of the necessity of moving very gradually toward control over our seaborne imports and exports.

To hear him say that we do not need this when, in fact, he is pressing hard for it, is a little difficult to take. All the indications pointed to a positive attitude on the part of the government. A shipping policy for Canada was produced. Interestingly enough, it looks as if four or five chapters were written by the minister and that somebody then shot him down in the final chapter. In my own mind I am sure that he did not agree with it. Newspaper headlines such as "Industry Blasts Ottawa Shipping Policy" or "Deep Sea Policy Opposed by Unions" would seem to endorse this.

We are dealing with a $25 billion industry, Mr. Speaker. Surely a sector of our economy of that magnitude deserves a little bit more attention than this government is apparently prepared to give it. We should be pursuing a marine transport

policy which reflects the belief that the marine mode is a viable transportation industry sector on its own and should be viewed with the same amount of respect as other modes of transportation in this country. Its importance is not to be trifled with or left to the vagaries of the distant future, as the minister would suggest.

● (1650)

Marine transport must be co-ordinated with and made complementary to other marine related industries, such as shipbuilding and repair, the fisheries, and our fledgling but potentially vast ocean resource industry. We must have a marine policy which is freed from present obstacles, disincentives and restrictions. This will permit and encourage the pursuit of targets of opportunity which could be generating billions of dollars for Canada and hundreds of thousand of jobs for Canadians.

Much more specifically, if the minister is concerned about options that are available to us—and he is forever accusing this side of the House of not knowing what it is doing or where it is going—I will suggest a few. These are a few areas the minister could and perhaps should pursue. We should be encouraging the gradual development of a Canadian deep sea fleet by providing tax incentives and deferrals, as well as allowing for flexibility in the timing and claiming of capital cost allowances for new construction. I am not talking about direct subsidies or the pouring of any new money into this venture at all; I am talking about money which is simply not in motion at this time. Tax policies permitting pre-tax dollars to be spent on vessel replacement and low interest loans, similar to the type given by the Export Development Corporation, should be made available now to Canadian shipowners. This will enable them to take advantage of targets of opportunity as they foresee them.

There is another area, that of the far northern waters. The minister has been generous enough in a wishy-washy way to respond to urgings over many years with respect to these waters north of 60 degrees. There is no need to be wishy-washy about that. There is no need for Canadians not to have their full presence in the Arctic with respect to our own extraction of resources and its allied industry. No ships should be in these northern waters other than Canadian ships. These ships should be designed and built in Canada and their crews should be Canadian. They should be subject to Canadian law. There is no need for the present wishy-washy policy at all. The government should clearly say that it will lend assistance to the design and construction of special ships. In this instance we could be talking about the LNG or cargo ships, it does not matter. There is one there already.

As well, we are examining other principles. If we are to attract the support of financial communities interested in investing in marine matters, we should not be wishy-washy. We must clearly indicate to them that their investment will be protected by both regulation and by law. But we have not done that. The minister was not prepared to go even that far. There was some vague suggestion in reaction to our urgings that he would go a little way down the road, but he has not gone far enough.

A realistic and equitable share of Canadian water-borne trade carried by Canadian bottoms should be encouraged through the negotiation of bilateral trade agreements and with regard to UNCTAD's new code of conduct for liner conferences. These areas should be pursued. The fears of the early 1970s cannot be related to the realities of today. Decisions cannot be made based on those apprehensions. We must make decisions based on the reality of today, not six or seven years ago.

Consistent with the policy of removing obstacles and road blocks to the development of Canada's capability for re-entering deep sea trade, some particular emphasis should be put on the role which Canada should be playing in the development of international maritime codes, perhaps through an organization such as International Maritime Co-ordinating Organization. We should be doing this because standards are now being devised and put into place which do not have the fullest reflection of Canadian needs with respect to our northern waters, our coastal waters and our inland Great Lakes systems.

In furthering the case for Canada's re-entry into deep sea trade, around the world there are a large number of recently built ships which are lying idle. We should encourage Canadian entrepeneurs and ship owners to re-enter the foreign market by permitting them access to this idle ship tonnage and extending to them the benefits that I have just outlined. We should not give them the world. If these people go offshore and acquire a ship and we waive the usual import arrangements, the money and profits earned could and should be set aside on the basis that a Canadian built ship should be the next acquisition. In other words, for every ship bought offshore with government assistance any profits should be turned over to create activity in our Canadian shipyards for the construction of new vessels. This will be a stimulating factor for the shipbuilding industry.

Any marine policy should be better co-ordinated with construction activity in our yards than is the case at the present time. A requirement should be that all ships operating in government service, including ferries, be designed and built in Canadian yards, manned by Canadians and subject to Canadian laws. In my opinion, this can be achieved quite simply. But we do not do that. We have not brought an end to offshore leasing. I see no clear intent on the part of CN Marine and the Department of Transport to do anything meaningful about it. It never surprises me when I pick up a paper to read of a group, perhaps in Norway, Sweden, Germany or the U.K., looking for vessels to charter for our east coast ferry services.

One of the most disgraceful situations which is within the minister's area of competency must continue to be the anomalies in our national ports. In the main estimates tabled the other day I notice that the minister had seen fit to drop the National Harbours Board virtually completely from the itemized statements. I think the phrase "National Harbours Board" shows up somewhere in one of the statements of

objectives, but for all intents and purposes it has been dropped. It no longer exists. And yet that is the only statutory authority that is maintaining ports of significance in Canada.

I find it very difficult to understand why the minister did not take steps earlier to correct these anomalies in spite of repeated urgings from this side of the House to do so. We have half in place at the Ports Council and half in place at the National Harbours Board. I suggest that the employees of the National Harbours Board have been in anything other than a high state of morale over the last two or three years. And yet the minister has seen fit to do little or virtually nothing about it. In my opinion, that is a damn shame.

I turn now to the pilotage authorities in this country. Five or six years ago when the royal commission on pilotage presented its report, one of its principal thoughts and recommendations was that the matter should be reviewed in five years. But that has not taken place. Traditional trading patterns with masters of ships sailing in waters in which they are familiar continue to require pilots. This is a further encumbrance to ship movement that reflects lack of concern, and I suppose in some sense reflects also the lack of awareness the minister has with respect to the difficulties facing the shipping industry in Canada. Tolls on the St. Lawrence seaway is another area needing attention. It can be clearly seen from the last annual report of the seaway authority, incidentally about a year late in its presentation, that it is now breaking even.

● (1700)

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. member but his allotted time has expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Calgary North (Mr. Woolliams)—Post Office—Door to door mail delivery in urban areas; the hon. member for Ottawa West (Mr. Francis)—Finance—Ottawa—Grants in lieu of taxes; the hon. member for Surrey-White Rock (Mr. Friesen)—Industry—Rebuilding of airports in Trinidad—Government involvement.

[Mr. Forrestall.]

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—FAILURE OF MINISTER OF TRANSPORT TO DEAL ADEQUATELY WITH TRANSPORTATION MATTERS

The House resumed consideration of the motion of Mr. Mazankowski:

That this House condemns the failure of the Minister of Transport to deal adequately with transportation matters in this country and, specifically, his failure:

(1) to provide an adequate marine transportation policy;

(2) to maintain acceptable standards of air safety;

(3) to deal adequately with grain movement, resulting in losses of hundreds of millions of dollars to producers and to the Canadian economy;

(4) to consider hardships imposed upon communities and producers arising from the implementation of the Prairie Rail Action Committee report;

(5) to provide consistent leadership in urban transportation; and

(6) to preside effectively and objectively over the granting of tenders and the administration of car rental concessions at Canada's international airports.

And the amendment thereto of Mr. Benjamin:

That the motion be amended by adding at the end thereof the following words:

(7) to implement the Hall royal commission report recommendations with regard to statutory rates;

(8) to ensure that transportation be used as an instrument of national policy rather than an instrument to make profits.

Mr. Nystrom: Mr. Speaker, I rise on a point of order. I believe if you ask you will find there is all party agreement to limit the speeches from here on in to 15 minutes.

The Acting Speaker (Mr. Ethier): Hon. members have heard the representation of the hon. member for Yorkton-Melville (Mr. Nystrom). Is it agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Ethier): It is so ordered.

Mr. Hugh A. Anderson (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I am very pleased to participate in this debate today because of the importance of transportation to the west coast and my long standing interest in transportation, particularly with regard to water-borne cargo.

In his remarks the Minister of Transport (Mr. Lang) alluded to the National Transportation Act. That act, which was passed by this House and enacted in 1967, called for a transportation system which was economic, adequate and efficient, in which the natural advantages of technology and the competitive forces of the market were left free to determine the rates, conditions of service and other aspects of the relationship between the suppliers and users of transportation services.

When the transportation policy was reviewed in 1975, many of the concepts and principles of the 1967 act were retained. These included intermodality, competition and regulation,

commercial viability, subsidy programs and, of course, the elements of equity and accessibility.

One major shift in emphasis in the 1975 policy was the concept of using transportation to support national and regional economic and social development objectives. Transportation has always been viewed, to a greater or lesser extent, as an instrument of public purpose. This dates practically from confederation, and I am sure that every one of the hon. members here present is aware that the building of the first major transcontinental railway in Canada was to link the new province of British Columbia with the eastern provinces. But until 1975 the idea of using transportation to support other government objectives has been generally implicit and external to the traditional role of ensuring that Canada had an efficient and functioning transportation system. Now government policy makes it clear that regional development is an explicit objective of transportation and of Transport Canada as an operating department of the federal government.

Transport Canada is only one element in our country's complex and constantly changing transportation system. The role must, therefore, be assessed according to its interrelationships with the other components of the system, as well as with the non-transportation objectives of the government. Transport Canada is faced with many conflicting pressures as a result, not the least of which at this point in time is the fiscal restraints imposed on all federal agencies. We have been successful in keeping our expenditures as low as possible and increasing our revenues.

On the matter of marine transportation, Transport Canada recently released a shipping policy that identified a number of trends and developments that affect Canada's sea trade. The concerns arising from these trends and developments can be grouped into three categories: government involvement in shipping; reduced competition; and the changing economies of the shipping industry. Government involvement has increased greatly over the past two decades, to the point that in some trades, not the laws of supply and demand but the decisions of government determine what shipping services are to be made available and at what prices.

The financial and economic health of world shipping is not good. Extensive oversupply of shipping capacity, escalating operating costs, declining profits and the uncertain future of the shipping industry have begun to take their toll. What these changes suggest is that Canada's long-standing, and I believe successful, policy of reliance upon foreign flag shipping may have to be re-examined to see if it is the appropriate route to follow for the 1980s.

An examination of the key issues at play in the shipping world has led to the outlining of four principal shipping options. They are: total reliance on foreign flag shipping; Canadian owned and managed enterprises, using ships registered elsewhere and manned by foreign crews; foreign built, Canadian flag vessels crewed by Canadians; and, Canadian flag vessels built in Canada and manned by Canadians. The primary objective of a Canadian marine policy should be to ensure the continuing availability of adequate and economic shipping services as part of an over-all transportation system serving Canada, with a secondary objective of being able to capitalize on significant opportunities. With this objective in mind, I do not believe there are sufficient grounds for a radical shift in our shipping policy. However, some reorientation is necessary to better prepare us to meet changing circumstances.

In discussing the appropriate marine policy for Canada, I believe we must avoid the pitfalls evident elsewhere in international shipping where lavish assistance measures have led to the creation of merchant marine fleets that are inefficient and uneconomic.

Timing remains a fundamental issue in the direction of Canada's marine policy. If world conditions continue in the direction they have been going, it will merely be a matter of time as to when we will be launching the necessary package of government policies to encourage the creation of a Canadian shipping fleet in which we have a greater voice in regard to future development.

On February 1, 1979, the Board of Economic Development Ministers announced a national development policy for the shipbuilding industry. Members on all sides of the House applauded the government which was responding to sectoral studies of the shipbuilding industry. I would like to summarize the decisions made as of that date.

An extension was announced to the present 20 per cent shipbuilding subsidy to the end of 1979 and acceleration of government ship procurement orders was announced on that day by the President of the Board of Economic Development Ministers (Mr. Andras). The announcement reflected a reorientation of the government's policy of support for the shipbuilding industry in the face of a worldwide slump in demand.

The minister said the government will open discussions with industry, labour and the provinces to work out details of new measures designed to assist the industry. What was announced that day was a policy to maintain a shipbuilding and repair capacity in Canada during the present period of worldwide difficulty; to assist the industry to specialize the various areas and to reinforce its technical and innovative capacity; and to provide assistance to workers who, despite the efforts of government and industry, may no longer be able to find employment in the shipyards.

Details of that announcement contained other information, including expansion of the dry dock facilities for Burrard Yarrows Corporation, formerly Burrard Dry Dock Co. Ltd., at Vancouver; lengthening the existing dry dock at Saint John, New Brunswick; and construction of a 4,000 ton synchrolift at the CN dockyard in St. John's, Newfoundland.

The minister also announced at that time that the advance ship procurement will involve construction of an "R" class Arctic icebreaker to replace the 25-year-old *D'Iberville*; replacement of the ferry *Abegweit* on the Prince Edward Island-Cape Tormentine run by a new ice-breaking vessel with about three times the capacity; construction of a 205-foot fisheries patrol vessel to replace the Halifax based *Cygnus*; refit the HMC *Preserver*, an operational naval support vessel

now operating in the Atlantic to allow it to operate in the Arctic; and construction of seven search and rescue vessels for the Canadian coast guard service on both coasts. As I have said, I believe members on both sides will applaud the action taken by the government in the search and rescue field in which a number of us have an interest.

● (1710)

I should like to comment on the statement made by the Minister of Transport on January 24. Dealing with Canadian deep sea shipping policy he said:

1. There will be a continued reliance on the international shipping market to supply most Canadian deep-sea requirements.

2. While no new financial or tax incentives for a Canadian-registered fleet are proposed at this time, the government will require that Canadian flag vessels, where available at reasonable cost, are to be used as a condition of export of processed or partially processed resources from the Arctic.

3. The government is prepared, in addition, to consider requests for assistance in the use of Canadian-built and registered vessels related to Arctic development.

4. The federal government will introduce legislation to enable it to act where national interests are threatened by foreign governments or carriers, to permit the designation of "Canadian" shipping lines, and to provide for agreements enabling Canadian companies to trade in areas where they might otherwise be precluded.

Most of us are aware of repeated statements made by the Minister of Industry, Trade and Commerce (Mr. Horner) and others with respect to the deficit on Canada's tourism account of approximately $1.6 billion a year. I suggest there is a situation in international shipping which is costing Canada approximately $2 billion a year. I refer to outflows of Canadian dollars used to procure the services of foreign bottoms. Many of us on either side of the political spectrum would agree that it ought to be the policy of the government to reduce deficits encountered in the exporting and importing of goods, if for no other reason than improvement in the balance of trade. No one suggests the situation can be changed overnight but we should be taking steps to encourage the movement of our goods by Canadian ships as a matter of primary concern.

In relation to many countries we are a very young nation and we have concerned ourselves more particularly throughout the years with connecting the various regions of this wide-flung nation through rail lines, roads and air transport. We sought to do this rather than strengthen our links with other countries by way of water-borne trade. However, we have reached the point at which most of our people are well served by the existing transport system and perhaps we could now begin to look outward more frequently and deal with the import and export of goods as one of the world's principal traders. I am concerned about our dependence on foreign bottoms, partly because I believe the situation is parallel to that which we face in the field of energy where a portion of our oil supplies is dependent on fuel sources outside Canada.

In the last few years we have seen a very interesting situation develop. Through its state-owned shipping company the U.S.S.R. has cut shipping rates and become extremely competitive. Indeed, much of the world's trade now depends on U.S.S.R. bottoms. I wonder if many members in this chamber will consider this to be a secure method of shipping goods and supplies which are vital to Canada. Is this situation not one which is similar to that which we have experienced in energy—

[Mr. Anderson.]

The Acting Speaker (Mr. Ethier): Order. I must inform the hon. member that his time has expired.

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, I am pleased to have the opportunity to say a few words, first of all on the motion moved by my hon. colleague, the member for Vegreville (Mr. Mazankowski). I would like more particularly to refer to the debates of last January 29 when I moved in the House a motion asking for a national navigation policy, and I quote:

—a national navigation policy, the prime objective of which would be to lay a favourable groundwork for the setting up of a true Canadian merchant marine.

Mr. Speaker, while this is only one of the aspects of the transportation policy, it is important. As a matter of fact, we cannot constantly defer our action in that area. It is the responsibility of the present government, and not of future generations, to solve that problem. We made some progress as far as the moving of resources in the Arctic is concerned. The government did take some measures to ensure that the beneficiaries are Canadian people. But what is more important is the international transportation of goods. When we speak of international transportation of goods, we mean their transportation on the high seas, on the deep seas that surround us. When I discussed the matter of a merchant marine for our trade, I said that the report on shipping tabled last month represented the status quo for those who advocate a merchant marine.

Indeed, one of the conclusions of the report was that we could not afford a merchant marine, and especially that it was not justified. Costs did not justify it, according to the report.

The Parliamentary Secretary to the Minister of Transport (Mr. Lapointe) replied to me saying it was not the status quo since we are doing everything possible to make sure that our Arctic resources are transported by Canadians. The islands in the Arctic are in Canadian territory; and therefore, this is not a question of trade.

Mr. Speaker, I am absolutely convinced that many hon. members in this House are eager to see Canada develop a merchant marine. My colleague from Lévis (Mr. Guay) has brought up the matter repeatedly over the years.

Indeed, when I introduced my motion on January 29 last he said that he had been debating that issue for nearly 15 years. My colleague from Esquimalt-Saanich is also interested in the issue. For them, the conclusion of the report is quite clear, and I quote:

After full consideration of all of the factors involved, the government has concluded that, in the present circumstances achievement of these objectives does not warrant the provision of new tax or financial measures to support the development of a Canadian deep-sea merchant marine.

I do not know what government members base themselves on to say that it is not the status quo. Canada, a rich, industrialized and respected country among the major countries of this world has the merchant marine it deserves—four ships proudly flying the red maple leaf. Following the government report, we will soon be able to sing about our merchant marine: "*Il était un petit navire qui n'avait jamais jamais navigué.*" Indeed, Mr. Speaker, one of the owners of one of those four boats is a Rimouski shipowner, Mr. Jules Jourdain. He was telling me that last year, when he was in one of the third world countries on a pier he saw something that just staggered him. He saw large quantities of goods and sacks of wheat or other things clearly marked CANADA being hauled by a Liberian ship. He told me: I was really confused, ashamed and particularly shocked by the fact that our generosity was being transported by a foreign merchant marine. And he added: The contracts the federal government awards for the transportation of outside machinery and goods are awarded to individuals who do not even have a boat.

Indeed, there are agencies somewhere around Montreal or Ottawa taking contracts from the government and then chartering foreign boats with cheap labour crews. And he added: That goes on right under our noses, and I with a crew of 20 have all the difficulty in the world at my own risk operating a 2,500 ton boat. That is the present situation in this country, Mr. Speaker. So, the government policy is unequivocal, we do not need a merchant marine. There will always be foreign shipowners to take advantage of it.

Let us now deal with other areas of transportation. I have risen on several occasions, despite what my colleague and friend from Bonaventure-Îles-de-la-Madeleine (Mr. Béchard) might think, to criticize the CN passenger service as well as air transport. I am particularly gratified that passenger service has been given a new impetus by the creation of VIA Rail. Canadians have long ceased relying on railways as a means of transportation, because service was abominable and cars outdated. That explains why bus companies have flourished since the early 60s. We are 20 years or more behind Europe when it comes to passenger rail service. VIA Rail has instilled high hopes, but it takes years to restructure an entire railway system. By that time, people may be so used to the bus and the plane that VIA Rail will never be economically viable. All this is due to a lack of leadership in transportation. That is why we must now do something about shipping and suburban transportation, which is also giving way to the bus.

Mr. Speaker, I would like to go back to June 1975 when the former minister of transport, who is now in the Senate, announced the principles which would guide the transport policy of this government, that is availability, profitability and active control by the government in the development of a national transportation network. I would like to repeat this last principle: active control by the government in the development of a national transportation network.

Mr. Speaker, in view of the great distances between our various areas it is quite obvious that adequate and effective means of transport are essential. Economically disadvantaged areas cannot develop, often because they do not have the necessary transportation infrastructures. I would like to take this opportunity to say a few words about eastern Quebec. On several occasions, I have requested improvements in the air service provided to the Gaspé peninsula and the Magdalen Islands. The government recently announced certain improvements, about which I am quite pleased. Let us take the VIA Rail service. Never try telling the people in our area about the train. The service is very bad, winter and summer. The train is always late. The troubles at the Voyageur bus line continue. Part of the Gaspé peninsula is serviced only by this company, all the way from Gaspé to Mont-Joli and including Sainte-Anne-Des-Monts and Matane. The situation is quite intolerable. My colleague from Vegreville is doing a great service to Canada today by giving us an opportunity to speak about a matter of such importance for the future of our country.

Mr. Speaker, we should respond as soon as possible by developing a transportation policy based on the needs of the population and present realities. If our oil supplies decrease as years go by and fuel prices increase, Canadians will rely much more on public transport, which includes trains, buses and airplanes. We shall therefore have to show some initiatives and not be afraid to take up the challenge, as has unfortunately happened in the case of our merchant navy. Following the budgetary cutbacks, I wonder whether we can expect any major transportation project to be implemented. However, I believe that we must underline that it is the so-called economically underdeveloped areas which suffer most from the weaknesses in our transportation policy. Obviously, industries are not going to settle where there is no adequate freight or passenger services. Then, the only industries our rural regions are going to get are primary industries, that is natural resources industries and small local industries.

This means that all our economic problems are related to a certain extent to the transportation situation. I shall add that we might have advantage in following the example of some European countries or even the United States that made substantial progress in recent years. The United States have decided to protect and expand their shipping industry. We might be well advised to create an inquiry commission to study the transportation needs of the various areas and to establish, in co-operation with the provinces, joint plans for the development of our transportation systems. The transportation issue is of such magnitude that we might discuss it forever. So, to conclude my remarks, I thank my colleague from Vegreville for the interest he demonstrated for that subject and for having given us the opportunity to express our views on the performance of the government in this field.

● (1720)

[*English*]

Mr. Jack Murta (Lisgar): Mr. Speaker, I would like to take part in this debate today. The opposition motion deals with a condemnation of the Minister of Transport (Mr. Lang) for not dealing adequately with transport matters and specifically grain movement, which has resulted in the loss of hundreds of millions of dollars to producers and to the Canadian economy. To be more specific, the amount lost last year was about $450 million in deferred or lost sales because of inaction by this government. Every time this government has to make a decision, it commissions another study on western grain. That $450 million represents a loss of about $3,000 for every permit holder in western Canada, and I know of no other group in this country which would put up with that kind of loss. On top of that, Mr. Speaker, they have incurred some $25 million in demurrage charges for ships that have been waiting, mainly in the Vancouver area. Of course, the demurrage charges will once again be very high in the coming year.

● (1730)

What is very important in this whole debate on grain transportation is the lack of confidence in Canada, among our customers in other parts of the world. At present Chinese officials are travelling across Canada—today they are in Winnipeg. They are very cautious about the size of their purchase for the coming years because they are aware of the difficulties we have in moving our grain to export. Also, we have lost sales to Japan, not only last year but this year. It is interesting to note that the Canadian Wheat Board tenders for grain sales to Japan, which are done on a weekly basis and are considered to be bread and butter sales. In recent months the Wheat Board has had to cancel these tenders because of our inadequate transportation system.

My point is that Canada's international reputation is being severely damaged at present. I am concerned about the fact that we are in danger of losing further grain sales in the coming months. That is becoming more and more evident all the time. The problem is that Canadians do not seem to realize the seriousness of the situation. There are indications at present that there have been additional deferrals of grain sales in the present crop year, and certainly the Wheat Board is not talking about them.

In terms of the industry itself, it is a sad story of a long series of studies that the Minister of Transport has perpetrated on the western farmer. A number of studies have been carried out, but in 1975 the first major study was undertaken by Justice Emmett Hall. That is history now, and we remember it as the Hall commission. The over-all system was reviewed then. Then we had the Snavely report, on the costing study. Then we had a study by the Prairie Rail Action committee which the government instituted because it did not feel that the Hall commission study was sufficiently thorough. At present we have an ongoing study called the Booz-Allen study in which they are trying to pinpoint the problems in areas which have already been studied.

We also have the quota review committee which has studied the problem of quotas, and the grain summit which was brought into being by the premier of Manitoba, which involves the province, the industry and the federal government. This study was conducted because no positive action has been taken by the federal government. Also, we have at present a study of producer cars. The feeling in the west is that whenever a hard decision must be made, the government comes up with another study. Problems are never really solved by action, they are studied to death, in the hope, I suppose, that at some point in time they will go away.

As an indication of the kind of problem we are facing, let me point to the whole question of the rail hopper cars. The Canadian grain fleet consists, to quite an extent, of old, small boxcars that cannot move grain as efficiently and quickly as necessary. Some time ago the federal government purchased some 8,000 hopper cars to move grain. The Wheat Board, because it felt frustrated due to its inability to acquire more hopper cars from the federal government, purchased its own hopper cars, or rather is in the process of doing so, but the matter is still before the courts. The Wheat Board is talking in terms of purchasing some 2,000 cars. Recently the board made a statement that it would like to see the provincial government and the federal government purchase an additional 10,000 cars in the next few years.

Because of the inaction of the government, because of endless studies and foot-dragging, and because the Minister of Transport and the Liberal government refuse to make a decision, we could end up with rail grain cars owned, some by the federal government, some by the producers, and some by the provincial governments. Ultimately there would be a terrible mix-up and nobody would know what the other group was doing, least of all the railways operating those cars.

At present the province of Manitoba is probably the worst of any of the prairie provinces in terms of grain movement. In Manitoba most of the grain goes to Thunder Bay, which freezes up in the winter so that there is very little movement out of Thunder Bay in that season. In fact it is almost non-existent then. Because of the bottlenecks in the transportation system, feed grains, rapeseed and flax, the traditional crops produced in some quantities in Manitoba, are not moving out of the province. Only a little of high protein wheat, the 13.5 per cent protein wheat, is moving out of some parts of the province, but for the most part grain movement is non-existent.

In the past winter, cash flow for the Manitoba grain farmer has been low, to say the least. Presumably quotas will open up in the province when road restrictions are on, restricting the ability of farmers to move grain. But the basic problem is that grain which should be moving to Thunder Bay at present because there is room in the elevators is not being moved. We need, in this country, better co-ordination in our grain movement to Thunder Bay, we need a build-up of supplies at Thunder Bay during the winter months, and the Canadian Wheat Board export program needs to be upgraded. In other

words, what we should have is incentives built in throughout the whole grain handling system.

Another area to which we should address ourselves in terms of grain transportation is increasing the capacity of our ports to handle grain. We need better co-ordination of railways, a build-up of supply at the ports, and the upgrading of the Wheat Board export program. There are other ports in the country which can handle a sizeable amount of grain if we do our handling properly. There is the Port of Churchill in the province of Manitoba. We should aim at exporting a minimum of 50 millions bushels of grain through that port every year. I believe our highest exports at the present time are in the neighbourhood of some 30 million to 32 million bushels. The Prince Rupert port must be upgraded so that the surge capacity so desperately needed at Vancouver will be there. It is not there at the present time, and that is where most of our problems exist.

• (1740)

In order to alleviate some of the problems I have talked about, we on this side of the House feel there is a definite need for a grain transportation co-ordinator. Some people might call that particular person a grain czar, but what is needed is someone with the legislative power to deal with the railways, the unions, the grain companies, and the elevator companies in order to get them working together. We have put this point before the House of Commons on previous occasions, but once again it has not been acted upon. We will probably have a study after all this to see whether that would be a good workable idea. Certainly in the next two or three years, until some of the present basic problems in the whole transportation and grain handling systems are solved, such a position is required.

The staff of the co-ordinator could be small and, in my opinion, the office should be located in Winnipeg. It would not cost very much. Obviously the reason the office should be in Winnipeg is that that is where the head offices of grain companies are, and that is where the head office of the western region of the railways is located. That individual, with a reasonably small staff, could work with the industry to co-ordinate functions which are not being carried out at the present time. He should co-ordinate the movement of our grain to markets so that we do not end up with a loss in sales in the neighbourhood of some $450 million, and presumably these figures will come very close to repeating themselves this year.

The way grain transportation, grain handling and collecting systems are operating at the present time, the job will not be done properly. The operation is too fragmented, and leadership is not coming from the Minister of Transport. This whole question is certainly important to western farmers and westeners in general. It should also be considered important to all the people of Canada considering the amount of money being generated and brought into Canada by this industry. In my opinion, the government, in the area of grain handling, has been viewed by the people of Canada as sorely lacking, for the past number of years.

Transportation

Mr. Ralph E. Goodale (Assiniboia): Mr. Speaker, we have before the House of Commons today another of those motions directed against the Wheat Board and Minister of Transport (Mr. Lang). If you were to read the motion itself, or just listen to the speech by the hon. member for Vegreville (Mr. Mazankowski), you could very easily conclude that this was a motion steeped in some rather vitriolic and irrational hyperbole, calculated not to achieve anything very worth-while or constructive, but rather to offend and be offensive. I suppose if you stopped the process just after reading the motion, or just after listening to the hon. member for Vegreville, you might conclude that this whole process is totally partisan and largely irrelevant from the point of view of accomplishing anything worth-while.

I think, in the course of the discussion that took place after that initial speaker this afternoon, the tone took a turn for the better. In the course of the discussion that has taken place since the speech by that hon. member for Vegreville, we have perhaps heard something worth-while. I for one certainly do not intend to deal with his political attacks or partisan comments because they are irrelevant and totally unfounded.

I can understand his sensitivity when I consider that the polls and the trend of momentum in Canada are not in his favour. If he checks the numbers he will find that is true. I do not intend to get into that argument which he opened up. Instead, I will deal with what is substantive in the motion, and with what has been said by the hon. member for Lisgar (Mr. Murta) and the hon. member for Regina-Lake Centre (Mr. Benjamin) who spoke earlier in the debate. I will try to deal with some of the substantive points they raised, because I think, in spite of the introduction we got from the hon. member for Vegreville, the subject is a serious one that we in the House of Commons should treat seriously. I do not intend to get into that rather petty debate which the hon. member for Vegreville launched this afternoon.

In the time that is available it is impossible to deal with all the points listed in the motion, in any kind of detail. The motion does raise some important questions and one could not really dispose of all of them in the course of only 15 minutes. I should like to deal particularly with point No. 4 in the motion which relates particularly to the report of the Prairie Rail Action Committee. The opposition's reaction to that particular report has, almost without exception, tended to be entirely negative. It would appear that the members of the opposition parties, with one or two notable exceptions, have rejected the report of the Prairie Rail Action Committee, and have rejected the very concept of that committee out of hand.

I think it is important to keep that report and the work of PRAC in context. In 1974 we began a process in western Canada of categorizing rail lines, moving toward a rail system that will have the capacity to meet the challenges we all know are coming in the future. When we started that process in 1974 we began with a network consisting of something just over 19,000 miles. The Prairie Rail Action Committee was asked to look at 2,400 miles of that total network of 19,000

miles. Obviously the work of PRAC related to a relatively small proportion of the rail network in the west.

Of the 2,400 miles that PRAC was examining, the committee made a positive recommendation for the retention of 1,000 miles, and a negative recommendation suggesting the abandonment of about 1,400 miles. The total study obviously involved a small proportion of the total picture in respect of grain transportation in western Canada, and even if the negative recommendations were all to be implemented as they were proposed in the PRAC report, and even if they were applied to the very letter, less than 10 per cent of the trackage in western Canada would be involved, and less than 10 per cent of the total number of delivery points in western Canada would be affected.

The motion talks about the implementation of the PRAC report and recommendations. Wherever that committee made a positive recommendation, recommending that a rail line should be retained, the Government of Canada has acted quickly to retain that line and to move it from the doubtful category, where it was left by the Hall commission, into the permanent category, where it is guaranteed for the future and can go on the schedule for upgrading. In every instance where PRAC made a positive recommendation, that recommendation has in fact been implemented.

As for the negative suggestions in the report, those recommendations are not within the government's hands to implement. They will now be referred to the Canadian Transport Commission for consideration, and I have every confidence in the world that the CTC will allow the communities, the farmers, and those who are interested in these lines, and vitally interested in them, to present their arguments, and will give them every possible consideration in the most favourable light.

Again if we remember the context in which the Prairie Rail Action Committee began we will know that the statistics I mentioned indicate that the study was in respect of a relatively small portion of the rail network in western Canada. In 1974 we had that initial categorization of rail lines, followed by the Hall Commission report, which was followed by PRAC. At this stage after the work of PRAC, but before the final work done by the Canadian Transport Commission, already a full 80 per cent of the total prairie network we began with in 1974 is in the permanent category, is guaranteed, and is on the schedule for upgrading for the future. I think that it is important to keep those numbers in mind to understand the context within which the Prairie Rail Action Committee was working. Furthermore, with respect to the negative recommendations in the PRAC report, I think that it is important also to approach that next step, and that is the work of the Canadian Transport Commission with a positive and determined attitude.

● (1750)

In this regard I think it is important to take a look at what is happening in some cases across western Canada, and as an example I will refer to my own constituency of Assiniboia. I have had the opportunity already to get together with many of the groups in communities that are working vigorously for rail line retention in my constituency, and to date these discussions have included get togethers in Francis and Gray about the Lewvan subdivision which was mentioned earlier this afternoon, in Bengough with regard to the Bengough and Avonlea subdivisions and the line to Big Beaver, in Big Beaver itself, in Lake Alma and Minton regarding the Bromhead subdivision to Minton, and in Ceylon regarding the Bengough subdivision. Further sessions of this kind are planned for this weekend in Lewvan, Benson, Bengough and Dummer, and undoubtedly meetings of this kind will continue into the future as well.

I am very pleased to have the opportunity of participating in these discussions and to work with the individuals and the local organizations which are involved, and as all this work goes forward I want to be sure that the strongest and most favourable arguments are advanced before the CTC on behalf of the communities in my area where rail lines may be affected by PRAC recommendations. Many local people are doing research work now and are preparing their briefs. They can count upon me and upon my office for every assistance, as I have told them directly on many occasions. I think that the recommendations they want to make are good ones, and I am optimistic about what we will be able to accomplish in this regard.

Mr. Hnatyshyn: If you need any help, Ralph, you can call on me.

Mr. Goodale: Mr. Speaker, the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn) offers his assistance. I can assure him that we will win these cases without his assistance and, indeed, he is not going to be in any position to offer anybody very much assistance.

In describing the situation in Assiniboia and what is being done there in co-operation with groups and organizations, I would like to deal for just a moment with where the opposition parties stand in relation to the PRAC report. Both of them have confirmed here today that their official positions are basically to oppose entirely the recommendations of the Prairie Rail Action Committee in its report. They apparently would revert to the 1977 report of the Hall commission. That sounds innocent enough and it sounds like motherhood, but what does it really mean, and how would that sort of action affect Assiniboia constituents?

If the Tories and the NDP got their way and if the Hall report were to be implemented as they suggest, many rail miles in my part of Saskatchewan which are now fully protected and which are now a part of the permanent system and are guaranteed for the future, would either be abandoned or left in an uncertain, unprotected position for perhaps another 12 years.

It is important to remember that the lines assigned to the Prairie Rail Action Committee for study, the 2,400 miles I mentioned a moment ago, were lines where the Hall commission had failed to make a definitive recommendation, either for retention or abandonment. Instead, the Hall commission had suggested that these lines should go into some sort of limbo

category. They were to be run temporarily by a new government agency called the Prairie Rail Authority, but they were not to be in the permanent network, they were not scheduled for upgrading, and they could be abandoned at any time by the PRA between 1977 and 1990. That is hardly a desirable situation. Farmers and farm organizations made it clear that such languishing uncertainty would be intolerable.

Accordingly, the federal government asked the Prairie Rail Action Committee to review these 2,400 miles of rail line left in that limbo state by the Hall report. The objective was to see if a higher degree of certainty about these lines could be achieved without waiting for Hall's doubtful period to expire in 1990. The PRAC report called for retention of about 1,000 of the rail miles studied. As I mentioned before, we have already acted to move each and every one of these rail lines into the permanent, basic, guaranteed network.

In the constituency of Assiniboia, the PRAC and the subsequent action of the federal government have saved and protected lines like the Wood Mountain subdivision from Maxstone to Mankota, the Avonlea subdivision from Moose Jaw to Avonlea and Claybank, the Tyvan subdivision from Regina to Stoughton, the Bromhead subdivision from Southall to Tribune, the Weyburn subdivision from Weyburn to Radville, the Amulet subdivision from Ormiston to Crane Valley, and the Gravelbourg subdivision from Mossbank to Hodgeville.

In the first six of these cases—I have just mentioned seven—we have taken doubtful lines left in limbo by the Hall commission and we have guaranteed them for the future as a result of the report of the Prairie Rail Action Committee. The significant part in assessing the opposition position is that the opposition parties in this House have exactly the opposite policy, and by totally rejecting the PRAC concept and by clinging as they do instinctively to the the Hall report, the Tories and the NDP are arguing for the doubt and uncertainty on these lines to continue for up to another 12 years.

In the case of the Gravelbourg subdivision, which was the seventh of the lines which I just mentioned, the opposition parties are arguing for continuing the limbo status of the portion from Mossbank to Gravelbourg through Bateman to Hodgeville—because that is what Hall recommended. The PRAC report helped to save the Gravelbourg line, but the Tories and the NDP have rejected the PRAC report in its entirety.

I believe that the evidence which I have cited this afternoon shows that the Prairie Rail Action Committee did a substantial amount of good and useful work and that it should not be rejected out of hand. We can each disagree with certain conclusions, and the conclusions are there, spelled out in detail, so one can see where it is possible to disagree because the arguments are there. If the PRAC has made mistakes, they are obvious on the face of the record and can be pointed out and questioned. Where the PRAC has proposed abandonment, the cases will be reviewed, as I said before, in due course by the CTC so we will have another opportunity to argue strenously for retention. As I have indicated, I am working closely with many of the local groups involved in this effort in my area. The cases which we have to present are good ones, and I am optimistic about the prospects that we have for a positive and favourable conclusion.

In the final analysis, I am confident, as I have said, that we are now building effectively in western Canada toward a capacity where we will be able to move a billion bushels of grain, and beyond, each year with speed and efficiency. We have the marketing opportunities to move that grain, our farmers have the productive capacity, and I am sure that the grain industry, assisted by the Government of Canada, will be able to meet the challenge.

Mr. Hnatyshyn: Mr. Speaker, I would just like to raise a brief question of privilege in view of remarks by the hon. member for Assiniboia (Mr. Goodale). It has been my observation in listening to the radio in Saskatchewan that someone is imitating the voice of the hon. member and saying that the PRAC has exceeded its jurisdiction. I just wanted him to know that.

Mr. Goodale: The hon. member for Saskatoon-Biggar (Mr. Hnatyshyn) will know that the remarks that I have made in that respect refer very specifically to one instance in the report of the PRAC having to do with the Lewvan subdivision running southeast from Regina. If the hon. member will wait for about 48 hours, I think that he will have some pleasant news in that regard.

Mr. Neil: Mr. Speaker, I wonder if I may call it six o'clock.

Mr. Malone: A point of order, Mr. Speaker—

The Acting Speaker (Mr. Ethier): Six o'clock has been called by the hon. member for Moose Jaw (Mr. Neil). I will recognize the hon. member for Battle River (Mr. Malone) at eight o'clock when the House resumes.

It being six o'clock p.m., I do now leave the chair until eight o'clock p.m.

At six o'clock the House took recess.

• (2000)

AFTER RECESS

The House resumed at 8 p.m.

Mr. Doug Neil (Moose Jaw): Mr. Speaker, in my opinion the debate this evening is a very important one and concerns a subject that really cannot be adequately dealt with in the time allotted to each speaker. This government, and the Minister of Transport (Mr. Lang) in particular, have failed disastrously in the field of transportation. Because of the short time available to me, my remarks will be restricted to items Nos. (3) and (4) in the motion, which read as follows:

(3) to deal adequately with grain movement, resulting in losses of hundreds of millions of dollars to producers and to the Canadian economy;

(4) to consider hardships imposed upon communities and producers arising from the implementation of the Prairie Rail Action Committee report.

The Minister of Transport may brag about the grain that has been sold, and he does so on every occasion that he rises to speak. However, he never mentions the millions of dollars lost by producers, which according to the Wheat Board in a recent letter sent to producers, amounted to something like $450 million in the last crop year. If this is related to the farmer or producer, it means something in the order of $3,000 each, and if we use the multiplier effect of 5.2, we find the loss to the economy is in the nature of $2.5 billion.

When the minister is on his feet he never talks about lost sales in any detail. He never talks about lost markets or the loss of Canada's credibility as a supplier and, of course, he never talks about the millions of dollars in demurrage charges that pile up every year and which are charged to the farmers' accounts by the Wheat Board.

Since the minister assumed that portfolio his solution has been to set up a series of commissions and studies. The hon. member for Lisgar (Mr. Murta) who spoke earlier today listed them. What he does with those commissions and studies, with the exception of PRAC, is put them on the shelf and forget about them. In April, 1977, he set up the Hall commission which carried out the most comprehensive study of grain handling and transportation ever conducted in the history of western Canada. The commission held many meetings throughout the prairie provinces, both on a local and regional basis, and heard some 1,180 submissions. The report was submitted to the minister. It was almost one year to the day before the minister met with Mr. Justice Hall to discuss the recommendations in that report.

● (2010)

I suggest the minister would not have met with Mr. Justice Hall at that time had it not been for the fact that the Standing Committee on Agriculture passed a motion requesting Mr. Justice Hall and his officials to appear before the committee. Such a motion would never have passed except that one member of the Liberal party who attended the committee meeting had the guts to vote with the opposition in asking for Mr. Justice Hall's attendance. It was only then that the minister decided to meet with Mr. Justice Hall.

The official opposition gave general approval to the recommendations of the Hall commission, including the recommendation for the setting up of a Prairie Rail Authority. We believed the implementation of the many recommendations would be one step toward the solution of the grain handling and transportation system and the rationalization of the system. But the minister's response to the Hall commission report was to set up another committee. This was not the Prairie Rail Authority, but what he called the Prairie Rail Action Committee. That committee was chaired by Dr. Fred Anderson of Regina, a man who apparently had a preconceived idea of any individual or community he considered were branch line retentionists. He had this to say at page 7 of his report:

[Mr. Neil.]

The retentionist picture of prairie society seems to be one of static decay, a picture of an indigent prairie grain industry served by dying towns, locked into a fixed and obsolete technology of production and transport. That such is portrayed by some of those who are the political and industrial leaders of prairie agriculture is a tragic disservice to an important industry dependent on efficiency for success in world markets.

He is a man who apparently does not understand the importance and the viability of small towns. He sounds like a man who would endorse the philosophy contained in that famous report given to the government entitled "Agriculture in the Seventies" which envisaged the elimination of the family farm. He would cut down the number of farms by two-thirds and cut back production by one half. I almost said four-fifths and one fifth, thinking back to what the Minister of Justice (Mr. Lalonde) said the other day, and thinking of remarks made by the minister when he spoke in this debate and mentioned the flip-flopping of this party and its leader. It reminded me of the remarks made by the Minister of State for Federal-Provincial Relations (Mr. Reid) and the remarks made by the Minister of Supply and Services (Mr. De Bané) on Quebec separatism. If the minister had turned an ear and listened to members in his party and cabinet colleagues he would not have talked about a flip-flop on this side. This government is the biggest flip and the biggest flop in the history of this country.

Dr. Anderson sounded like a man who envisaged, as the Minister of Transport did, an elevator system made up of only 22 inland terminals located in larger centres, with 356 satellite elevators, with trucks being the major system of transportation in effect saying "to hell with the smaller towns and communities." The PRAC committee in reaching its conclusions regarding branch lines totally ignored the undertakings made by the Prime Minister (Mr. Trudeau) in the 1974 election. In that campaign, in June 1974, the Prime Minister promised the western farmer that the Government of Canada would not abandon branch lines as long as elevator companies considered that elevator service was warranted.

There are a number of lines that fall into that category throughout the prairie system. I could cite a number, but I will only refer to two, both of which are located in my constituency. One is the Colonsay line where the Saskatchewan Wheat Pool and the United Grain Growers, before the Hall commission, before community hearings and before the PRAC committee hearings, undertook in some cases to build and to upgrade the facilities. The other one is the Central Butte—Riverhurst line where the Saskatchewan Wheat Pool and Cargill undertook to enlarge or build new facilities. In both cases the PRAC committee said that the lines must go. This was despite the fact that a substantial portion of the lines that were indicated should be abandoned were accepted by the community. But the key portion of the lines where the elevator companies said they would give service were from Central Butte to Riverhurst and from Dilke to Liberty. As I mentioned, PRAC had said these portions must also go. Despite the undertaking given by the Prime Minister in 1974, the minister has not been prepared to lift a finger to say that these portions of the line should be retained.

We are suspicious that the minister and this government may be playing political games and will wait until an election campaign, and at that time the liberal candidates who will be in the various constituencies will say, "We have saved your line for you. The minister has decided that these lines which PRAC said should be abandoned will be saved." If this is what the minister is going to do, let him take a firm stand now and tell us what his intentions are. Let us not play politics. Let us not use branch line abandonment as an election gimmick. The policy of this party, and I will say it loud and clear so there is no misunderstanding, is that when we form the government, and we will form the government after the next election, will be that those branch lines where, during the hearings, the elevator companies said they would undertake to build new facilities and/or upgrade present facilities and continue to give service, will be retained. This is an undertaking that I am giving on behalf of our party, the official opposition, the party that will form the government after the next election.

In early December other western members of the official opposition and myself travelled west and met with members of the three wheat pools, the United Grain Growers, various other grain companies, as well as the Canadian Wheat Board, the grain commission, agricultural organizations and officials of the railways in the three prairie provinces. It was interesting to hear their views. We came away with one conclusion, that every facet of the system was blaming the other for the problems that exist and have existed for a number of years. It boiled down to the fact that this minister never at any time convened a meeting of representatives of all the various components of the system, including producer representatives, to determine the reasons for and possible solutions to the problems that exist in the grain handling and transportation system.

● (2020)

As the hon. member for Vegreville said, it was left to the premier of Manitoba, Sterling Lyon, to call a summit meeting. It was with considerable reluctance that the Minister of Transport attended. The meeting was an embarrassment to the minister because it took the initiative away from him. Of course he really has not ever had any initiative. The minister has failed in his mandate. He can boast all he likes about his success in grain handling and transportation, but come the next election I am sure that the electorate will overwhelmingly let him and his government know what they think of his record.

Mr. Paul E. McRae (Fort William): Mr. Speaker, it is interesting to note that the speeches in this debate have been cut to 15 minutes. It indicates the importance of this subject to all parties. Transportation can never be a marginal subject for Canadians, for two basic reasons. As this is a massive country it is often necessary to move our goods over long distances. A high percentage of our gross national product, 15 per cent or more, is spent in so doing. We are, if not in the real sense, at least on a per capita basis the world's largest trading nation. The movement of goods in and out of our ports of entry is a vital fact.

At the end of his trip, and I do not intend to use the subject of transportation to dwell on that, the Leader of the Opposition (Mr. Clark) made a very interesting statement, considering that we are in effect the largest trading nation in the world on a per capita basis. He said, and I quote:

> There will be a marginal increase in attention to world issues, but I expect to be preoccupied with the agenda of parliament and an election campaign, in which foreign policy questions likely won't play a major role. I foresee, now, the priorities of our early years in office as having their origins domestically.

I do not understand how someone preparing himself for the office of prime minister, and a party preparing itself to rule, can say that foreign affairs will not be of consequence to us, especially during this time of massive global problems such as those in China, moving oil from Iran, and so on.

We have to look at transportation not as a marginal aspect but as a very important aspect of life in Canada. We have to look at transportation as it affects our foreign trade. Certainly discussions concerning the grain industry have been in that direction.

I might be blamed for being somewhat parochial in introducing the topic of foreign trade. However, I defend myself against that charge on the ground that the city of Thunder Bay is a very major port in this country, the third largest in Canada. Through it is shipped two thirds of all the grain that is moved out of Canada. When I speak of activities in my community, I speak of activities that are very pertinent to Canada's trade, and foreign trade in general. This country exports between 80 and 90 per cent of its forest products. Taking both of these together, we see that foreign trade becomes extremely important in the life of our community as well as the life of this country.

In addition to being the largest grain port, it is rapidly becoming if not the largest then one of the largest coal ports. Within the next five years it will be the largest coal port in this country. Therefore transportation is a very important issue to the people of Thunder Bay and to the rest of Canada. Sometimes I take to task the people in my community who do not see this in such an important role although most of their livelihood is, in one way or another, related to this topic.

There has been a great deal of discussion in this chamber about moving grain to alternate points such as Churchill, Vancouver, and Prince Rupert. I do not say that that is not necessary. There is a tendency to forget the fact that two thirds of western grain moves through the port of Thunder Bay.

Senior railroad officials have suggested that were it not for the Crowsnest arrangement, and I am not suggesting that that should disappear, and the true costs of moving grain were understood, most of the grain in this country would be moved through Thunder Bay and not west coast ports because of the extreme costs in moving commodities across the Rockies. I would like to see that suggestion proved or disproved. Be that as it may, our role is significant.

I have one criticism which has been made over a long period of years, namely, that we have not made the kind of impression upon people in the western provinces that we should have made. In terms of our economy we are much more closely associated with Manitoba, Saskatchewan and Alberta, than with Ontario. It was only an accident of history, certainly not of geography, that we were included in the province of Ontario.

I have suggested in discussions with officials in the Ministry of Transport that we should consider moving much closer in our associations with people in the western provinces. There is a great need for people in Thunder Bay to associate themselves with people in the transportation business in the three prairie provinces. At some point in the fairly near future our harbour commission should be enlarged in some form or another to include a representative from each of the three provinces. An alternate suggestion would be to set up an advisory board with the three provinces. We could then begin to understand in the western provinces and in my community that this is a relationship which is very important. I hope these studies will be acted upon by the ministry and supported by the harbours commission.

● (2030)

Mr. Benjamin: You had 15 years and you blew it.

Mr. McRae: It has been suggested that some criticism has been directed against our harbour and I was concerned recently when it was reported to me that a group of farmers in Manitoba had met at the premier's office to make a number of complaints about it. I checked with the premier's office and was informed there had been no such criticism; neither was there any criticism arising from the meeting to which the hon. member for Moose Jaw (Mr. Neil) referred. I agree there are some things which need to be done, but in general we are moving in the right direction.

Work on removing sludge from the bottom of the harbour is going ahead fairly rapidly; because of pollution problems it is necessary to land the sludge. The first phase will be finished in a couple of months at a cost of about $5 million, provided by the federal government, and another $13.5 million has been set aside to provide for dredging over the next 20 years or so. I think we will have a first class harbour which will meet the needs of Canadians for a long time to come in the grain industry and in the coal industry, as well as in the general movement of materials.

Perhaps one thing which Canadians should appreciate more is the fact that here we have a major harbour some 2,000 miles from the Atlantic ocean yet perfectly able to accommodate the movement of large ships 2,000 miles inland to the open sea. It is one of the things which makes Canada unique. The St. Lawrence Seaway is of great interest to people in my constituency, and we were concerned recently when the Seaway rates were raised so rapidly. There was to be a doubling of the rates but I am pleased to see that it has been decided to spread this increase over three years. It is our hope that over the next few years we will become more useful as a port, especially if we can extend the shipping year to 11 or perhaps 12 months. Positive studies have been undertaken which show that such an extension would be of great importance to this country as well as to the United States.

I would like to turn to two or three other points, Mr. Speaker, and to deal with them quite rapidly. I would mention VIA Rail, which I feel is a fundamental development in our transportation system. For the last 15 or 20 years we have seen two railways providing passenger services with very little interest in doing so. I refer particularly to the CPR. I think the CN did try to make the service workable to some extent but there hasn't been a great deal of zeal applied. There are some reasons why things are turning around in terms of energy use and so on, but it seems to me it was important for us to set up VIA Rail, a system dedicated solely to making passenger services available in this country. Already the rates have been reduced, certainly as compared to those on the old CP line, new equipment has been ordered, and I believe we will make progress.

One point of criticism I should like to make has to do with transcontinental service. One concern shared by those of us on the north line and the south line is the bottleneck which exists at Capreol or Sudbury. Two trains starting out two or three days earlier at Vancouver are expected to arrive at the same instant in order that one group can proceed to Montreal while the other group goes to Toronto. It is just not realistic to expect this to work out and I think something has to be done about the situation. I would like to spend more time on this question, but unfortunately I must move along to the other points I wish to make.

The hon. member for Vegreville (Mr. Mazankowski) made a couple of statements about air safety which rather bothered me. He mentioned that Canada had moved from eighth to thirteenth place in the world in terms of air safety. But that is a meaningless kind of figure. One cannot really define safety unless one does so on the basis of miles travelled. In terms of air travel and the passenger miles travelled, Canadians rank with the United States and Britain as the top three in terms of safety. That is the fundamental factor, not the fact that we may be tenth, twelfth or thirteenth. In terms of passenger miles travelled we are in the top three. There has been some concern, which I have shared, with respect to safety in Northern Ontario, but I would—

The Acting Speaker (Mr. Ethier): I regret to interrupt the hon. member but the time allotted to him has expired.

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I welcome the opportunity to enter this debate. It has become quite a wide-ranging debate—we have covered many subjects today. The Minister of Transport (Mr. Lang) spoke about the deficit this afternoon, but what the deficit has to do with this debate I really don't know. However, there is one thing I would point out to him. He said we were going to increase the deficit. I doubt whether we will have to increase the deficit, Mr. Speaker, because after reading the Auditor General's report this week in which he noted that only half the $50

billion budget can be accounted for, I can assure the minister that when we form the government we will account for every dollar that is spent.

Some hon. Members: Hear, hear!

Mr. McKenzie: And we will implement every recommendation in the Auditor General's report, something which we have been calling for over the last ten years. We will get our expenditures into line and we will find out where the money is going. Incidentally, the Auditor General's reports each year get worse. They do not get better under the Liberal administration, which has been refusing to implement the recommendations in them. We are not afraid to be accountable. Also, we will strengthen the terms of reference under which the Auditor General operates, and we will get spending in line and work toward a balanced budget.

The minister said this afternoon that the Conservative provincial government was not co-operating with the trucking industry. That is not entirely correct. I cannot speak for all the provinces, but I can speak for Manitoba with respect to trucking regulations. As a matter of fact they worked with the federal government to improve some of the regulations recently when they increased the gross vehicle weight from 74,000 pounds to 110,000 pounds. That made the trucking industry in Manitoba very happy. The Manitoba government has also increased the length of trailer combinations, permitting larger combinations on the highways, something which was very welcome to the trucking industry in Manitoba. I know a lot of people engaged in the trucking industry in Manitoba and I can assure the Minister of Transport that none of them will be voting in the next election for the Liberal party. They are all going to be voting for us, they are all going to be supporting the Conservative party. The trucking industry in Manitoba has been very pleased since the NDP government there was defeated. That industry had a difficult job trying to survive under that socialist government.

● (2040)

In the rambling debate we have had today the Minister of Transport dealt with sovereignty-association, but he forgot to mention that in a recent speech in Scarborough the Minister of State for Federal-Provincial Relations (Mr. Reid) stated that if the separation referendum were to carry by a majority, he would let Quebec go. In a radio interview on December 10 the Minister of Supply and Services (Mr. De Bané) said the same thing. He said that if the vote were to carry, he would let Quebec go.

An hon. Member: No.

Mr. McKenzie: Yes, "We will let them go."

Some hon. Members: Shame!

Mr. McKenzie: On what terms will the Minister of State for Federal-Provincial Relations let Quebec go? Is Quebec going to keep Air Canada, CNR, or the St. Lawrence Seaway? What kinds of deals will this government cook up? Is this part of the four-fifths, one-fifth proposal?

Our position has been made very clear. We have clarified it. There will not be any sovereignty-association, any under the counter deals, or any of the seven or eight positions adopted by the government. The Prime Minister (Mr. Trudeau) has said, "When they separate, I will go and live in Quebec." It would be very interesting to know what kinds of deals this government is cooking up with the province of Quebec right now.

I have listened to some of the infantile remarks by government members about our leader's losing his luggage. They have tried to create an impression that an individual is responsible for his luggage when he gets on an aeroplane. We all know that is not true, and our leader did not lose his luggage. It came on the following aeroplane. That is common; it has happened to me. On one occasion I flew from Montreal to Toronto and was informed that my luggage would be on the next plane. That is common, but the infantile remarks of members of this so-called government do not indicate that.

Here is a recent interview with the Minister of State (Fitness and Amateur Sport) (Mrs. Campagnolo), "A day in the life of Iona Campagnolo". She said:

> Nowadays April Holland, my assistant, buys more clothes for me than I do for myself. The airlines often lose my bag so that wherever I am I have to send April out to buy me a dress—

When this minister arrives, she does not even have a dress. She loses her luggage all the time, but why does this great government not mention that? Not only does the minister lose her luggage but she also loses taxpayers' money, to the tune of about $13 million in her latest deal.

I would like to get back to the motion.

Some hon. Members: Hear, hear!

Mr. McKenzie: I would also like to congratulate the hon. member for Vegreville (Mr. Mazankowski) for his excellent contribution this afternoon. I want to confine most of my remarks to air safety and to impress upon the House the importance of debating Bill C-40, which is legislation respecting the establishment of the office of the commissioner of transportation accident investigation. The minister says we cannot debate this bill because we will block it. That is just nonsense. We have been calling for this type of investigative body for many years. My colleague, the hon. member for Dartmouth-Halifax East (Mr. Forrestall), has raised this matter many times, and this bill should be sent to a committee for debate.

I have some concerns, however, about this bill. Clause 19 at page 12 says:

> The commissioner may, on a confidential basis, provide an interim report containing information on the progress and findings of an investigation into an accident—

The word "may" should be removed and replaced by "shall". With regard to the words "on a confidential basis" I do not know how this commissioner, when looking into an air crash, could give confidential information to a coroner con-

ducting an inquest. Once information is given to a coroner at an inquest, that information is on the public record, and it is in the coroner's report. It is made public, so how can the commissioner give confidential information? There are some flaws in the bill, but I must emphasize that it is imperative that this bill be dealt with before an election is called.

I will give some examples of why we should be getting on to Bill C-40. I want to refer to a fatal crash of a Beech D95A in Saskatoon, Saskatchewan, in March, 1978. I asked the Minister of Transport to give me full documentation regarding that crash. He gave me one little page. There are approximately 20 pages missing, and this causes further suspicion because the minister stood up in this House and said that he has an open department and a big library. He said that one need only telephone in order to get anything one wants.

Mr. Paproski: Four-fifths, one-fifth.

Mr. McKenzie: Yes, you get a fraction of what you ask for. I suppose that is the same four-fifths, one-fifth formula the Minister of Justice (Mr. Lalonde) uses for dealing with Quebec.

On this one-page report it states, and I quote:

The manufacturer of this aircraft had issued a safety directive two years prior to the accident warning about the dangers of attempting single engine flight at what had theretofore been considered a safe minimum speed.

In this tragedy an instructor and a student were practising cutting out one engine and manoeuvering the plane but, unfortunately, the plane crashed and both occupants were killed. This one-page report goes on to say:

This information was distributed by the manufacturer in the U.S.A. but not to all operators in Canada.

This is something which should be thoroughly investigated. I am sure there must be a number of Beech D95A's around, and I certainly hope their owners have been notified about this warning from the manufacturer.

The coroner's inquest into this fatal crash of March, 1978, began in June, but it had to be adjourned because the Ministry of Transport refused to give full documentation to the coroner. However, this coroner kept after MOT, and finally the department had to provide him with full documentation so that he could complete his inquiry into this fatal crash. As reported in the transcript of the inquest the coroner said:

Gentlemen of the jury, you will remember that at our last meeting here we adjourned the inquest because we lacked certain evidence which was in the form of a report which has been forwarded by the investigator who investigated this accident on behalf of the Department of Transport, and during the subsequent weeks we've been busy with negotiations with the department in an attempt to obtain this report. We only recently received it and now we're going to continue with this inquest.

It is very costly and time-consuming when coroners have to adjourn inquiries because MOT will not co-operate.

The coroner also said:

Now the witness from the Department of Transport was in a difficult position because, as a witness, he was obliged to testify and give evidence—all the evidence available to him. At the same time he was under an obligation in his department not to disclose matters which they considered to be confidential—

[Mr. McKenzie.]

How can there be a proper inquiry into a fatal crash if MOT officials cannot give all the evidence at the inquiry? That is why we have to proceed with Bill C-40. We must overcome these obstacles which are placed before coroners or anyone else who is trying to investigate.

The coroner went on to say the following:

I am sure that no member of the Department of Transport or the government wants to use this sort of secrecy to impose dictatorial measures, but we do know that in countries such as Russia the legal proceedings are conducted in secrecy, people are accused and tried in secrecy and sentenced in secrecy and the public is denied access to information about what's going on in these courts.

I do not think it is very flattering for Canada to be compared with a country like Russia because we will not give coroners complete information regarding air crashes.

● (2050)

The coroner went on to say:

Thirdly, when a government department insists on conducting its own investigation into fatal accidents involving members of its staff, it leaves itself open to the question of whether a conflict of interest exists.

So the sooner we get the investigation into air safety and investigations into other transportation accidents out of the hands of MOT and into the hands of this private investigation group, the sooner Canada will take a step in the right direction.

The coroner went on to say:

—when lives are at stake it is in the interest of the public that confidentiality give way to public investigation.

So this is a condemnation of the Minister of Transport and of how accidents are investigated.

A couple of years ago Dr. John Butt, Alberta's chief medical examiner, at a medical symposium in Calgary accused MOT of putting bureaucracy ahead of safety in investigations. Dr. Butt said this attitude prevented him from immediately getting to the scene of the Calgary plane crash of December, 1974, in which three persons were killed, and "snow plow fatties", who apparently were acting on Transport Canada orders, had been stationed to block his way. Mr. Speaker, you can see the seriousness of the situation and the obstacles that the Minister of Transport and his department are putting in the way of proper inquiries into air fatalities.

A couple of years ago a directive was put out by MOT that MOT safety inspectors were not to implement their duties fully with regard to air safety infractions because, as the telex said, they must not fully consider the possibility of—

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. member, but the time allotted to him has expired.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, the motion that is before the House today moved by the hon. member for Vegreville (Mr. Mazankowski) allows us an opportunity to talk about the many problems in transportation. It also gives us the opportunity to zero in on one or two of those problems. I want to look at a couple of them this evening. First, I want to look at the problems faced by the prairie

farmer and at the state of farming and agriculture in this country, and I want to try to relate to the House the importance of a transportation system that is efficient and well planned for the farmers of our country. I want to give the House a couple of statistics to show that this is a very important debate and that farmers are important in our country.

First of all, total farm income in 1978 was around $12 billion, and the food and agricultural sector of our economy amounts to roughly 40 per cent of the GNP. So when we talk about farming we look at an area which is extremely important for all of Canada. I am very concerned about what is happening to the income of prairie farmers today. I was startled, as, I am sure the hon. member for Battleford-Kindersley (Mr. McIsaac) will be, to see what is happening to the income of farmers in my home province. I want to put a few statistics on the record. I do this because one of the reasons farmers are in difficulty is that we do not have an efficient transportation system. As officials of the Wheat Board said last week, because of the lack of grain handling facilities alone, we lost some $450 million worth of sales of wheat to the world market.

Let us take a look to see what is happening to the grain farm income in the province of Saskatchewan. I will take the total cash receipts for the year 1975 to begin with and I will round off the figures. The total cash receipts in 1975 were $2.5 billion. The projected cash receipts in 1979 are $2.4 billion, less than they were some four years previously.

An hon. Member: Whose projections are they, yours?

Mr. Nystrom: These are figures from the department of agriculture in the province of Saskatchewan. I assume their statistics are correct. If you want to use 1978 figures, you find that in this case they are $2,480 million. So you see that the farm income in that province in terms of our gross receipts, total cash receipts, has not gone up. But if you look at the real statistics, that is, the net income of the farmer, you find that in 1975 the net income of Saskatchewan farmers was $1,474 million. The projected income of Saskatchewan farmers in 1979 is $909 million. So you can see that it is roughly half a billion dollars less in 1979 than it was in 1975. The same story is true if you go back to the year 1978 where you do not have to use projections but the actual income. You find that the income of the Saskatchewan farmer was $1,060 million. The operating costs of farmers in the province of Saskatchewan in 1975 were $1.1 billion; while in 1979 the projected costs are some $1.7 billion.

I put those figures on the record to show you that while other people in our economy are taking more, often it is not enough. We fight in this House to help veterans, old age pensioners, to increase family allowances, to help the Indian and Metis people, the unemployed and the like. At the same time there are huge corporate profits and the wealthy get wealthier all the time, but you find that the farmers in the prairie provinces—my own province is one, but Alberta and Manitoba are the same—are seeing a real drop in their net income and an escalation in their costs.

One of the reasons for that—of course there are many others but this is a transportation debate, which is why I will stick to transportation topics—is that the railway system in this country is inefficient and the farmers have all kinds of grain that they cannot sell. We all know that China was in the market for a lot of grain this year. We could have sold an extra three million tonnes of grain to China if we had had the handling facilities. But we did not, so they turned to the United States and signed with them their first contract in history, or certainly in a long time. The United States at long last has recognized China. If we do not move quickly, we may lose potential markets there in the future.

Another interesting statistic which the minister in charge of the Canadian Wheat Board (Mr. Lang) put on the record today and which is true, a fact which I want to emphasize once again, is that we can anticipate a tremendous growth in the production of wheat in this country. That is another reason why the motion put before the House by the hon. member for Vegreville is so important. In 1978 the total amount of grain we produced was 21.4 million tonnes, while in 1985 the projections are that we will be producing some 30 million tonnes of grain, an increase of nearly 50 per cent. That will be so in only about five or six years' time. For these reasons we have to improve the railway system in our country.

I want to comment now on one specific item with regard to the transportation of grain, and that is the whole question of rail line abandonment in the prairies and, to be specific, the PRAC report which was released in the first or second week of January of this year. I want to recount some of the history of that report to try to show members why it is so important to us in the prairies. Mr. Justice Hall studied roughly 6,000 miles of rail line a few years ago. He recommended that about 2,000 miles of this rail line were obviously so efficient, needed, and in a place where they would be utilized economically they should be put into the basic network. The minister agreed and put them in the basic network. He considered another 2,000 miles of rail line, roughly, said they were not used very much and the farmers had other points to which they could deliver, that the lines were not efficient and should not be upgraded, and recommended they be abandoned by the year 1981. Of course the minister listened to that recommendation.

• (2100)

Then there was a third category of lines that he really could not make up his mind about and thought there should be further study before deciding what should be done. That consisted of about 2,400 miles of line. He recommended the government set up a prairie rail authority with the power to decide whether they should or should not be upgraded. In other words, he recommended a semi-autonomous body apart and separate from the Minister of Transport.

It did not surprise me greatly that the minister rejected that recommendation of Hall. He said he did not want to lose control of the decision-making process. Instead, he appointed a

buddy of his, Professor Anderson from Regina, to head up the Prairie Rail Action Committee, or PRAC. It was to come in with recommendations by the end of 1978 regarding that 2,400 miles of rail line on the prairies.

That committee recommended that about 60 per cent of that line should just be abandoned and that about 40 per cent should be preserved. In one or two cases the committee did not even study the lines it was supposed to be studying. In one case in particular in the riding of Assiniboia, and I hope the hon. member for Assiniboia (Mr. Goodale) will rise to his feet and say a few words—

An hon. Member: He did. He made a great speech.

Mr. Nystrom: He made a speech. I am very glad to hear that he did.

An hon. Member: He was very critical of PRAC.

Mr. Nystrom: I hope he was very critical of PRAC, because in his riding it recommended that a line that has in the basic network be abandoned, namely, the Lewvan line. That was a very irresponsible thing for that committee to have done and this line was definitely in its terms of reference. I am sure the voters in that constituency, come the month of May, June or July, will remember that decision of PRAC.

The committee made a recommendation to the minister that about 60 per cent of the lines it was studying should be abandoned. Let me refer to two examples in my own constituency, the circumstances of which I think are symbolic of PRAC recommendations right across the prairies.

First of all we have a line that runs from the large town of Sturgis Junction to the even larger town of Kelvington. That line runs for roughly 41 or 42 miles. It is utilized by a lot of farmers. A lot of grain is hauled over that line. There are four other towns on that line. Some of them are quite large towns and they include the town of Preeceville with well over 1,500 people, or closer to 2,000, and the town of Kelvington with over 1,500 people. Almost everybody thought that Hall made a serious mistake, and so did I, when he did not recommend that the line be put into the basic network. All you have to do is pick up a map of Saskatchewan and you will see that this part of the province has a lot of farmers, and that in most cases, if the line goes, those farmers will have a long way to haul their grain.

Hall thought this needed further study. Even so, all of us assumed that PRAC would recommend the line be saved. What did PRAC do? It recommended that the entire line with the exception of 3.5 miles be abandoned. In other words, PRAC only saved that little part between Lilian Junction to the town of Preeceville. That is all that was saved. PRAC recommended abandoning the rest of that line which also serves a town called Lintlaw where the wheat pool wanted to put up a very large new elevator. The town of MacNutt has a very good grain delivery service, and the farmers will have to haul into Kelvington. The committee said that they had the big town of Kelvington, and it recommended that this line be abandoned, just letting these little communities swim on their own.

The recommendation was that a lake crossing be built from the Rosedale-Tisdale subdivision line to the town of Kelvington. The cost of building that would be almost the same in terms of dollars as it would have been to rehabilitate and reconstruct the whole line in the first place, and thus provide a good service for all the farmers living along that entire rail line.

Let me refer to the second example, also in my constituency. It is called the Rhein subdivision. It runs from a little place called Ross Junction, which is near the large town of Canora, an area that the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn) is familiar with, down to the town of MacNutt, which is right up against the Manitoba boundary and the riding of the hon. member for Dauphin (Mr. Ritchie) and the hon. member for Marquette (Mr. Stewart). They are both familiar with this particular rail line. This line as well is fairly long, running for 50-some odd miles. It services a lot of people and a lot of towns. It has a delivery point at a little town called Hamton, one in Rhein, one in Stornoway, one in Wroxton, one in Calder and another in MacNutt. These serve a great number of farmers in an area where a lot of grain is produced.

It is a very important line in terms of grain, and many people live in those small towns and villages along the line. PRAC recommended that roughly half of that rail line be abandoned. It recommended that the line from Ross Junction to Hamton be abandoned and that the line from Hamton running on through to Wroxton be saved. It also recommended abandonment of that part of the line from Wroxton to MacNutt. That section serves a lot of people.

I have had several meetings with the people of both those communities. They are very concerned about keeping this rail line. In the fall of 1977 they established "Save Our Rail Line" committees which met with members of PRAC before they made this recommendation. They had another meeting with the Minister of Transport, and have managed to save about half the rail line there. However, these other communities are now in danger, four of them in particular, of losing their rail line, thus adding to the expense of farmers having to haul their grain much greater distances. There is also an additional expense in terms of wear and tear of municipal roads. Of course the small towns and villages where the line is to be abandoned will soon become ghost towns, because when the farmers haul somewhere else they also do their shopping elsewhere.

I see you rising, Mr. Speaker, so I will conclude by making an appeal to the Minister of Transport to save about 90 per cent or 95 per cent of the lines that PRAC said should go. If I had more time I could give detailed reasons why these lines should be saved, specifically to save those communities and small towns.

Mr. Maurice Harquail (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, I suppose I should commence my remarks by expressing my appreciation to the

opposition critic for bringing this motion before the House today as it provides an opportunity to participate in this debate. I welcome the opportunity of saying something about what the minister and the Ministry of Transport have been able to do for Atlantic Canada, in contrast to all the stories we have been hearing about difficulties in the west.

As I looked at the motion I could not help but think it might fit in with some of the things that have been before the House in recent days, using up the time of this place. I would not want to say that these were entirely frivolous things; however, we do have clear evidence of the delaying tactics that have been used in recent days.

We have many members on all sides of this House who are considered to be reasonable and intelligent men, yet we find members of the official opposition, when referring to transportation, using words like "condemn", "terrible", and "awful". There is nothing in that that is of use to Canadians. I have one word for it, and that is "hogwash." The evidence is very clear as to what the Minister of Transport (Mr. Lang) has been able to do in these modern times, and particularly in recent years in effectively carrying out his responsibilities.

● (2110)

As I was saying just the other evening, the hon. member for St. John's West (Mr. Crosbie), I believe, was going on at length in his usual rhetoric, and at the beginning, the middle and the end of his interjection and intervention in the House, repeatedly, the best he could come up with was to call for the Minister of Transport's resignation. We all know how ridiculous this type of intervention is, and that is how it will be interpreted by Canadians because transportation is a very serious topic.

One aspect of this motion before us tonight is air safety. Canada has nothing to be ashamed of whatsoever with respect to air safety. Indeed, because of the very stringent air safety regulations, Canada enjoys one of the best, if not the best, reputations in the world for air safety, and that is something of which each and every one of us can be proud.

Canada's safety record for scheduled air carriers has not deteriorated over the past years. In fact the latest complete figures available on commercial air travel, 1970 to 1977, indicate that our country's air safety record has remained relatively constant over that time period that it is on par with that of the United States and Great Britain, and that it is considerably better than the International Air Traffic Association's average for fatal accidents of all countries.

I am not sure where those who are making the allegations are getting their facts and figures, but the most recent data from Statistics Canada's aviation statistics centre on accident rates for Canadian registered aircraft provide an analysis of the number of accidents per 100,000 hours flown. These data reveal that over a five-year period, 1973 to 1977, there has been a consistent decline, from .63 accidents per 100,000 hours flown during 1973, to .21 accidents per 100,000 hours flown in 1977.

The information on accidents and activity of Canadian air carriers presented in the article "World Airline Safety" in *Flight* magazine, January 20, 1979, suggests that the number of fatal accidents per unit number of flights is the best single safety measure when, in fact, the number of accidents per unit activity is a more comprehensive measure for comparisons among different countries and airlines. Added to this difficulty of comparing accident records among countries fairly and accurately, is that there are different definitions of accidents. Comparisons among countries on the basis of fatal accidents are comparisons among measures of the countries' liability to fatal accidents. This liability to accidents is measured by the average number of fatal accidents per unit time. As time is a measure of the length of exposure to risks, it is measured by the amount of activity over the period, including flights, hours flown, and production.

The definition of accident in the *Flight* article those occurrances, "involving fatalities to one or more occupants . . . of public transport aircraft—including scheduled helicopters—operating scheduled or non-scheduled revenue passenger or revenue cargo flights." In Canada it should be noted that "public air transport" is not a recognized term. Canadian commercial air transportation services are classified as unit toll—scheduled and non-scheduled—and charter. Charter services are grouped into various subclasses according to the weight of the aircraft used.

I do not wish to take up the entire allotment of time permitted me, Mr. Speaker, to speak only of air safety, but I would like to make it very clear that Canada places great importance on air safety, as I think we should, and because of our very stringent air safety regulations Canada enjoys one of the best reputations in the world.

I would like to talk now about the benefits we are enjoying in Atlantic Canada as a result of some of the measures and policies of the Minister of Transport. In the last year or so the minister has deemed it important and necessary to allocate over $100 million for the over-all strengthening of the transportation system in the Atlantic provinces and, indeed, these funds, coupled with DREE programs under special agreements, under highway agreements and subagreements in the four Atlantic provinces, have enabled us to improve our position substantially both in the highway transportation linkages and in air transportation by providing more modern facilities to ensure modern air passenger service.

If hon. members will look at the recent estimates presented in the House by the President of the Treasury Board (Mr. Buchanan) they will find that in the Atlantic provinces, and particularly in New Brunswick, a substantial number of dollars has been allocated for the improvement, not only of the facilities at Saint John and the landing equipment at Moncton, but as well for the construction of a new modern air terminal at Charlo and for the new air strip and facilities at St. Léonard, New Brunswick.

This is a need that has been expressed and pursued for a considerable period of time, and I know that the citizens of the areas which I have mentioned are very, very pleased with these

announcements and inclusions in the expenditures for the fiscal year 1979-80. In addition to the improvements to the highways and the air facilities there will also be a detailed analysis arising from the ports policy bill, in the Atlantic area and, in particular, of course, Saint John, which has proven its competence in being able to handle the cargo traffic by surpassing Halifax in tonnage averages. I believe that it has been a long accepted fact that competition exists between the port of Halifax and the port of Saint John because of the dynamic leadership and the administration of those interested and concerned with the port facilities in Saint John. In a short period of time they have been able to bring this port up to and beyond the capacity of what they are able to accomplish at the Halifax port.

I would also like to take this occasion this evening to mention the importance of the ports in northern New Brunswick, not only the port of Belledune but also the port of Dalhousie. These ports are deep-water, year-round, ice-free ports. In the case of the Belledune port, they are able to ship ore from the zinc refinery and fertilizer, and concentrates, and from the tank farm which was just built in recent years by Shell Oil. I think this is a very significant development for this deep water port.

● (2120)

I am delighted to announce tonight that officials of the American Potash Company are also considering the port facilities at Belledune as a route for shipping potash when they go into production within the next 12 to 15 months in Sussex, New Brunswick. This has come about because of lack of capacity at the Saint John port at the moment.

People interested in the development of the Belledune port are encouraged that it will not only be used by Brunswick Mining and Smelting for the shipment of ore, and by Shell Oil as a petroleum port, but that other petroleum companies have expressed interest in locating tank farms at the site. It is a significant breakthrough that a company with the potential of the American Potash Company has, in recent weeks, indicated a sincere interest in making an in-depth analysis of the facilities available at Belledune for shipment of their product. I understand that the facilities exist at Belledune, and when the necessary agreements have been made with the Noranda group and with Brunswick Mining and Smelting, there is every possibility that potash could move through that port.

This is not to diminish, of course, the importance of the deep-water, ice-free port at Dalhousie. The International Pulp and Paper company ships some of the finest newsprint in the world to international markets through that port. It is also used for shipping ore. The F.W. Perrie Company and McCain Foods have shown an interest in using it for shipping potatoes to world markets.

This is a very significant development and will have more than a passing impact on the region. It will have a definite impact on the economy, and it encourages all those who have shown an interest in the continuing development of the port.

[Mr. Harquail.]

I think the port of Belledune in Gloucester County which is being developed by the Chaleur Development Corporation and the citizens interested in that area, as well as the Restigouche development, who are all concerned with the Port Commission in developing Dalhousie port, each standing on their own feet as regards their abilities to grow to their maximum potential, will bring additional growth to northern New Brunswick. Funds have recently been approved for the design and engineering of an additional zinc smelter at Belledune. The federal government will contribute $1.5 million to the design and engineering of this plant, in co-operation with the province and Brunswick Mining and Smelting. All these things—

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but his time has expired.

Some hon. Members: Hear, hear!

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker, I should like to thank the hon. member for Vegreville (Mr. Mazankowski) for introducing this motion. I certainly agree with what he said—that at the moment we have no understandable transportation policy. No one knows where we are going in the area of rail transportation. One thing that western farmers know very well, however, is that wherever this rail transportation mess is going, the grain sector will get there first. The minister said there was no terminal expansion at Vancouver until they offered incentives. He should know that they were offered guarantees of storage paid by farmers, but I am happy to say this was never accepted by the grain companies out there.

The minister praised VIA Rail. If the subsidy paid to VIA Rail were paid to bus transportation, every long distance traveller in Canada could travel free.

The minister made a great fuss about Tory governments and the prairie prime minister who, he said, did nothing for grain or grain transportation because so little grain was shipped, and so on. That is arrogant nonsense. Figures issued by the Canadian Wheat Board, over the signature of the minister, show that for the years 1963-64 the total export of wheat and flour equivalents was 592 million bushels or 23.4 per cent of world trade. This figure has never been exceeded. In the two best years that the minister can brag about, 1976-77, 494 million bushels of wheat and flour equivalents were exported, representing 21 per cent of world trade. Last year was the best year under this minister when 587 million bushels were exported, or 22 per cent of world trade. So far this year exports are 20 per cent below the same time last year. At the present time wheat is selling for $5 per bushel at Vancouver.

The minister will probably argue that more varieties are in the stream now. The answer to that is that the farmers have been forced into the new varieties because this Liberal government could not move their wheat.

The hon. member for Lisgar (Mr. Murta) dealt with the need for co-ordination of the whole system and indicated that no leadership was being shown by the minister. I should like to remind the House that a year and one half ago the Fraser

River bridge was washed out. That was a disaster for the port of Vancouver as the main line of the Canadian National uses the bridge. For the three weeks that it was out of use, the port of Vancouver set a record for unloads, so it can be done if proper leadership is given.

The hon. member for Fort William (Mr. McRae) boasted about the great port of Thunder Bay. I should like to remind him that grain moving through Vancouver commands a 50-cent per bushel premium over Thunder Bay. It should be noted that of all ports, the prairie port of Churchill is by far the cheapest route for the movement of western grain to markets in Europe.

I should like to deal with part (3) of the motion, Mr. Speaker, which reads as follows:

That this House condemns the failure of the Minister of Transport to deal adequately with transportation matters in this country and, specifically, his failure:

(3) to deal adequately with grain movement, resulting in losses of hundreds of millions of dollars to producers and to the Canadian economy.

After a good many years with the minister in charge, it seems that the chickens have come home to roost.

I should like to examine the present system as it stands after the expenditure of hundreds of millions of dollars of taxpayers' money for subsidies, equipment and upgrading. During the tenure of the minister the 30,000 grain carrying cars decreased to the present 20,000, including the 8,000 government hoppers. Last year, because of inability to deliver, grain producers lost, in sales and deferred sales, which are the same thing, $500 million. It will be much the same this year. The minister was bragging about unloads at Vancouver this year. The latest figures I was able to get from the Canadian Grain Commission show that on February 14, 293 cars were unloaded. Mr. Speaker, 700 should have been unloaded. On February 15, 123 cars were unloaded, and on February 16, 258 were unloaded. The capability of the port is 700 cars, Mr. Speaker. There is no need to mention, either, that demurrage charges reached record amounts last year.

One of the great tragedies of the situation is that we are delivering on deferred contracts at the old price and are not able to take advantage of the current $5 per bushel price asking at Vancouver. This adds up to some $4,000 for every farmer in western Canada. That is more than was indicated by the hon. member for Lisgar because I have added the old low price at which we are delivering the grain. A good case could be made that this is a deliberate attempt to hold down the grain economy of western Canada.

Today, 12 ships were waiting at Vancouver, and six other ones loading, while there are unused facilities at the port for bulk handling, and unused capacity in the interior of the country with government elevators not working to capacity.

We still have the unresolved Crow rate issue with tax money still pouring into the railroads and no over-all plan or understanding, and certainly no commitment from the railways for satisfactory service. To top it all off we now read in the paper about secret meetings taking place in western Canada to try to resolve this contentious Crow rate issue.

● (2130)

The Canadian Wheat Board had been forced into buying, with farmers' money, a good number of hopper cars. I would like to read into the record what a respected grain company, James Richardson and Sons, Limited, say in the February 15, 1979, grain letter. This indicates no leadership at all by the government or by the minister in this area. The second paragraph of this letter reads:

The Wheat Board has again taken the bull by the horns on the subject of hopper cars.

Further on in the paragraph it is mentioned there will be a requirement of:

—an additional 10,000 hopper cars over the next few years. The Board claims that unless these additions are made to the hopper car fleet, exports could decline by about one million tonnes per year resulting in a possible loss to prairie producers and the western economy of 4.2 billion dollars by 1985.

The letter also says:

Whatever the outcome, it is difficult to fault the Board for trying to take some decisive action or a first step in tackling the monumental grain handling problem.

Producer groups are now seeking a court injunction to stop the use of producers' money for these hopper cars. This is not the first time that producers have had to go to court to force this minister to act legally. I think we can all remember the hold up of the temporary Wheat Reserves Act of some years ago. Japan, one of our best customers, has put Canada on trial for the next 12 months because of the unacceptable delays in delivery of wheat through Vancouver.

We now have a Prairie Rail Action Committee report which is described as offensive and insulting by the largest grain handling company we have. This report only adds to the confusion in western Canada. In my area there is a line called the Dun Elm subdivision from Player to Simmie. The line is contingent at the present time upon a trucking subsidy and a road subsidy for its retention. It is so complicated and balled up that it is impossible for anyone in the district to understand it.

As an indication of the desperate situation facing many grain producers, I will mention just one producer car which was loaded on January 31, 1979, at Marquette, Manitoba, the mainline of the CPR. The car was still there yesterday, which was February 24. The number, if anyone is interested, is CPWX600413. This is a heartbreaker for the farmer involved who urgently needs the cash.

There is another problem coming up in the spring of 1979, and that is a labour problem in Vancouver with a work slowdown by the grain handlers union. With no overtime being worked by the grain handlers, it can take up to 18 hours to clean one car of rapeseed. Certainly the minister has not been taking any initiative in this area. It is interesting that the chief commissioner for the Canadian Wheat Board considered this so serious that he went to Vancouver and met with union representatives. We have customers waiting at the seaboard, unused capacity in the system, producers' bins full, and financial loss to the farmers. All of this just boggles the mind. We have no understanding of where it will all end.

The feed grain issue is still unresolved in spite of dozens of investigations and the setting up of commissions to look into the problem. It follows that the question is asked, "How do we get into this sort of a mess?" Some ten years ago at a time when my constituents were busily going about producing new wealth for themselves and the government, a task force was set up on agriculture. It released its findings in 1970. That task force report called for a reduction by two thirds of the number of farming units in Canada by 1990, and a reduction in the country's farm acreage, some ten million acres. The Minister of Transport (Mr. Lang) was part of the government that accepted those recommendations.

There were statements contained in that report such as that by 1980 more than 90 per cent of all Canadians will live in centres with a population of 10,000 or more; 80 per cent of all Canadians may be living in three metropolitan areas, etc. Along with all this went a general attitude of preparedness for rural to urban migration. The government accepted this task force report and took it for granted that this rural-urban migration was a good thing. The railways, having to plan years ahead, naturally took their cue from this report and from the government's position taken on the task force. They decided, quite rightly, that there was no future in prairie agriculture and they would have to devote their energies elsewhere in the country.

The task force on agriculture was followed by the infamous lift program, and this minister was responsible. This was a program where farmers were paid to take crop land out of production. We all know what happened. Within two years Canada was sold right out of grain. The cost to the farmers in western Canada can be calculated by a loss of hundreds of millions of dollars.

This lift program confirmed the railways' suspicions that the future was indeed bleak for prairie agriculture. They acted accordingly and reduced their railway effort in western Canada. In the absence of any commitment by the national government to support a viable western agriculture, there was no other choice for the railways. We just have to look to see how far our competitors in the United States have come in the last year. The U.S. made the commitment to agriculture that, as it ran down its natural resources, great efforts were to be diverted into production of food. Last year the United States increased its exports of grain by more than the Canadian total export figure. Last year 10,000 hopper cars went into the grain handling system. This year 20,000 are scheduled to go into it.

After the disaster of this LIFT program, the howls of the western farmers forced the government to reverse its decision. The first thing the minister did was to panic with a fire sale of feed barley. This was offered at Thunder Bay at 57 cents a bushel. This cost western farmers dearly. The minister then decided, for political reasons I suppose and because of its high visibility, to overhaul and revamp the prairie branch line rail system and the country elevator system. The real bottleneck which had always been at the Pacific seaboard was to remain as it was, with not one cent spent on it. Next we have a branch line study undertaken by Mr. Justice Emmett Hall who turned in a report very well accepted by the public, but not what the minister wanted. So he headed it off with more studies, the Bryden report, the Prairie Rail Action Committee report, etc., and that is where we stand now.

[Mr. Hamilton (Swift Current-Maple Creek).]

Mr. Cliff McIsaac (Battleford-Kindersley): Mr. Speaker, I believe it was my friend, the hon. member for Moose Jaw (Mr. Neil), who earlier in the evening made the point that there was inadequate time to debate a very comprehensive, large and broad subject. I am sure that he shares my feeling that we would have been much better off using the time yesterday afternoon between four o'clock and 5.30 p.m. as government members sat in their desks waiting for my hon. friends opposite to come into the House.

Mr. Stevens: You are the one who fouled it up. You said 5.30 p.m.

Mr. Gillies: You set the time.

Mr. McIsaac: We might have used some of that time to debate this very important issue. I think the motion is an important one.

Mr. Stevens: You said 5.30 p.m. What are you complaining about?

Mr. McIsaac: I am not complaining. I am saying to hon. members opposite that we might have found some additional time yesterday that went to no real avail.

I am happy to be able to participate in this debate on the motion put by the hon. member for Vegreville (Mr. Mazankowski). This afternoon I felt that the hon. member for Vegreville did not put his usual vim and vigour into his motion. I am not sure what that tells us. Perhaps my hon. friend is having difficulty speaking without a platform put forward by his party to help him in putting forward a case for transportation for western Canada and other parts of the country.

In listening to the minister and other speakers, but the minister primarily, I think he put the case for many of the major achievements of the government in the field of transportation. However, I think it is well worth reviewing the record of the government over the last five or six years. Compare some of that with the four or five-year period of the Tory government from 1958 to 1962. The latter part will not take too long because there were really only two achievements in that time. One was the establishment of the MacPherson royal commission which was established in 1959. In 1967 some of its recommendations were incorporated into the National Transportation Act. From that eight-year effort we saw some moves which covered their program.

● (2140)

Producers in my part of the country and elsewhere will recall Tory transportation efforts and their lack of any concrete results in terms of remedying the problems which they have become expert about in the last couple of years.

While there are still many problems with transportation in this country, whether it be rail, air, or ground transportation, we are better off than we were just a few years ago. There has been another important change in the last number of years. There is a much better understanding of problems. I do not deny that there are many of them. However, whether it is provincial governments, farm organizations, transportation companies, the federal government or other agencies, there is much better co-ordination and co-operation in trying to delineate, sort out, spell out, and deal with, as well as resolve, some of the issues. The approach initiated by the former minister of transport in a massive study which involved industry, the unions and everyne else, was the beginning of that much better understanding. It has helped to solve many of the problems that have plagued us. We still have some distance to go.

I will turn now to the grain movement which has been referred to more often than not in this debate. Along with members opposite, I would like to see more rail capacity, more locomotive power, more twinning of tracks, extended rail service, and more extended facilities in Vancouver, Prince Rupert, Churchill and so on. There is no question that those kinds of facilities are more than desirable. However, they cost many hundreds of millions of dollars. It will be a long time before everyone's shopping list can be fully accommodated.

This brings us back to what can be done to improve car turnaround and our present facilities, and to integrate them to bring about the movement of more prairie grain to the terminals, either east or west. Everyone is aware that the railroads are moving a great deal more other bulk commodities, which has put some pressure on the system as well.

The question of dealing adequately with grain movement which has resulted in hundreds of millions of dollars in losses to producers and the Canadian economy is in one of the paragraphs of the motion. The hon. member for Swift Current-Maple Creek (Mr. Hamilton) dealt with that question. I am not sure how valid the claims are with regard to whether it is $3,000 or $4,000 that farmers may have lost. I suggest the word lost is being abused because the grain is still there. Instead of being sold at $2.37 or $2.38 as it was a year and a half ago, it is now very close to the $5 mark.

As the hon. member for Swift Current-Maple Creek pointed out, some of the grain now going out was contracted for at prices below the $5. Many farmers are not all that unhappy if they have adequate storage.

Members opposite have short memories. It was only a few years ago that we were looking at four bushel quotas, clogged elevators, grain piled on the ground, and so on. We do not have that on the prairies today. We do not have anything like the backlog and the clogging of the system that was the case not many years ago.

Mr. Towers: Now we have a six-bushel quota.

Mr. McIsaac: The hon. member for Red Deer (Mr. Towers) says we have a six-bushel quota. I do not know how many producers in his area have grain stored on the farms. I suppose there are not that many.

Mr. Towers: All of them.

Mr. McIsaac: If that is so, they are very fortunate producers. Last year will certainly have been one of the better crop years if that is the case.

I realize that improvements can be made. In fact improvements are desirable. I agree that the system is overloaded and is not taking out the amount of grain that has been grown in the last three years. However, this year Thunder Bay is running something like 13 per cent better than last year.

Mr. Benjamin: We were behind in both years.

Mr. McIsaac: We moved a lot last year and we moved a great deal the year before. If we can do a bit better this year, that will be three record years in a row. We have never before moved that volume for three years. I know it is more important today to the producers and farmers to get the grain to market, get the cheques in their pockets and pay the machinery companies and municipal offices, because they can no longer operate with one or two slack years. They must have that cash flow.

As I have said before in similar debates, the situation for many producers in rural areas in terms of the economic level of those districts, regions and areas, has never been better. Listening to members opposite, one would think there were dire thoughts of bankruptcy all across the prairies among the grain producers, and in the communities. That is certainly not the case. I see the hon. member for Vegreville smiling. He knows that in some of these communities the businessmen used to be better off than the producers and farmers. Today that is pretty well turned around. It is the producers and the farmers who can now buy out the businessman. That is what has happened over the past number of years.

I have listened to my friends opposite with their continual doom and gloom. However, we have not heard much about what they are going to do. I am waiting for my friend from Vegreville and others to tell us the Tory policies in terms of improving, expanding, and building for the 30 million tonnes we will be moving in a few years.

Mr. Paproski: Is that four-fifths or one-fifth?

Mr. McIsaac: That is 30 million as opposed to 20 million tonnes currently being moved.

Mr. Neil: Tell us about the lost sales.

Mr. McIsaac: There is no question that there have been some lost sales. Nobody has denied that. I say in spite of that, we are testing the system. We are moving considerably more grain. Under that pressure, we will come to grips with some of the problems. Hopper cars are only one of the responses of this government. Look at hopper cars, rail rehabilitation, branch line subsidies, and branch line rehabilitation which is going forward. It adds up to close to a billion dollars in the last five or six years. That is a great deal of money and effort to put into a system. It still needs more, but this government, when it

is re-elected, will be glad to continue that kind of subsidy, that kind of effort.

I have one more point, and it concerns the PRAC committee report. That is the committee which was set up to deal with those rail lines still left in limbo by the Hall Grain Handling and Transportation Commission. It was the definite view of producers, grain companies and others that some agency could deal with this matter and arrive at a conclusion either for retention or abandonment. That report came out in January. Of course it pleased those people whose lines were recommended for inclusion in the permanent network and, needless to say, it very much displeased anyone whose lines were recommended for abandonment. In my opinion, that committee and that commission overlooked a number of options they might well have considered. They might have looked more closely at the off-line elevator system, and they did not give adequate consideration to the costs which would fall on the communities and municipalities. I am sure railroad costs were gone into adequately, but I am not sure the other costs were.

● (2150)

The Acting Speaker (Mr. Ethier): Order. The hon. member for Battle River (Mr. Malone).

Mr. Arnold Malone (Battle River): Mr. Speaker, I have the privilege this evening of being able to wrap up what started out as an excellent debate—by and large it continued as a tremendous debate as far as contributions from this side of the House were concerned. I commend my hon. friend from Vegreville for raising the subject. We have heard some excellent speeches from the other side of the House, too, in terms of oratory. However, they failed as to content.

Politics has been in evidence in a great many of the speeches tonight, but as the final speaker I believe it is my prerogative to try to package together what has happened. No one here is seeking to deny that the Minister of Transport (Mr. Lang) is intelligent; no one is trying to deny that he is a good speaker, or that he is an academic. But we are saying the bottom line is that he is incompetent and that he is arrogant. Irrespective of his intellectual capacity, the transport system has failed.

Some hon. Members: Hear, hear!

Mr. Malone: Most of us can recall an interesting list, a host of commissions and studies such as that undertaken by the MacPherson Commission in 1969, the agricultural task force, the Western Economic Opportunities Conference, the Hall report, the Snavely report and so on. These reports come along, and when they do not suit this minister he appoints a new commission so as to get what he wants. This is the crux of the whole problem—all study and no action for 16 years.

Such criticism might be regarded as merely partisan if it were only the Conservative party and the New Democratic Party which were saying the government had failed. But it is not that. It is government members themselves who say the Minister of Transport is simply an incompetent person. I would like to share some interesting information gleaned from the Parliamentary Secretary to the Minister of Transport (Mr. Lapointe). I put a question to him the other day. I asked him on what date the Minister of Transport gave a direct order that substandard service should be provided on those lines that they wanted PRAC to destroy. His answer was:

> Mr. Speaker, I do not know the exact date but I will inquire and inform the hon. member.

Some hon. Members: Oh, oh!

Mr. Malone: To this date I have not received a letter from the department telling me on what date they ordered an inadequate service on these lines.

Not only are there members on the other side who feel the minister is incompetent, we on this side have the good fortune to see over there a minister of the Crown who says that his colleague is absolutely incompetent. I refer not merely to a fellow member of the party but one of the ministers of the Crown. I want to quote what has been said by the Minister of Industry, Trade and Commerce (Mr. Horner), for example:

> The hon. member for Saskatoon-Humboldt has done everything to destroy western Canada since he became a member of the cabinet.

That can be found in *Hansard* at page 185 for October 7, 1974.

The Minister of Industry, Trade and Commerce does not stop there. He really goes on to say what kind of minister we have in charge of transport. He said:

> The Minister of Transport has fouled up almost everything he has touched—the Air Traffic Controllers, the car rental system and allocating $30 million to CPR.

That, too, is in *Hansard*. That is what the Minister of Industry, Trade and Commerce thinks of this useless Minister of Transport. I might say, Mr. Speaker, that I am only on page one of a 26-page document. Speaking in the debate on the Speech from the Throne he accused the Minister of Transport of "working with the railways to destroy freight rates which benefit western farmers". He added that the Minister of Transport was "in bed with them". Now we find the Minister of Industry, Trade and Commerce in the same bed—in pink pyjamas. Attacking the Minister of Transport, he said:

> I have often forecast—and I shall be there when it comes about—that I shall see Otto Lang tarred and feathered and driven out of Saskatchewan. I will pay for the oil and I will pluck the chickens.

What we are talking about here is incompetence. I can certainly understand what happens to the feelings of a tall man—

[*Translation*]

The Acting Speaker (Mr. Ethier): The parliamentary secretary on a point of order.

Mr. Loiselle (Chambly): Mr. Speaker, I wish to say to the future former member for Crowfoot that with the incompetence he displays when he speaks about the people of western Canada, as an easterner I can tell him that he would find it beneficial to visit his constituency before making an attack

against the Minister of Industry, Trade and Commerce (Mr. Horner).

The Acting Speaker (Mr. Ethier): Order. Hon. members should remember that only a few seconds remain before the end of the debate and I will have to extend a little the time allotted to the hon. member.

[*English*]

Mr. Malone: I would not want to see such interruptions taken from my time, Mr. Speaker, because I have here 26 pages of this kind of information. It must be lowering to the self-esteem of a tall man who wears a western hat to have to live with these words, words he used as late as March 10, 1977:

Do you really think I would lower myself to be in the same party as Transort Minister Otto Lang who has ruined not only the nation's transport system but its grain industry, too?

He must have found out that the Minister of Transport didn't have the depth he thought he had since he was able to lower himself so easily.

The list goes on and on. I do not know whether to call it ten o'clock tonight or ten o'clock tomorrow morning. If there were sufficient times available I should have liked to deal in detail with the subject of the Prairie Rail Action Committee and what it is doing to the prairies. What we do see is the effect of cloning. The Minister of Transport has cloned his likeness into the shape of Professor Fred Anderson to do as he wanted to do. He wanted to abandon railways without community hearings and without having alternative systems in place. When railways are abandoned that way, disruption is caused in prairie communities. I can cite one example.

● (2200)

Rail service is being removed from towns surrounding Stettler, Alberta. Such towns are Rumsey, Rowley, Big Valley, Endiang, Byemoor, Red Willow and Donalda. It is now being assumed that one community can take in all the grain from those communities where rail lines are being abandoned. Without extra services in that one community, the only conclusion we can come to is the conclusion drawn by my party and by the New Democratic Party, that is, in terms of transportation policy this government is incompetent.

I see, Mr. Speaker, that you are beginning to rise, and if I can conclude with the word incompetent, I could not conclude with a better one.

Mr. Harquail: That is a good word for you.

Mr. Loiselle (Chambly): Why do you lie like that?

An hon. Member: Withdraw.

Mr. Deputy Speaker: Order, please.

Mr. Malone: Mr. Speaker, I rise on a point of order. I heard the words of the hon. member opposite. I apologize for not remembering the name of his riding. He mentioned a word which I do not think he would want to leave on the record. Perhaps he might want to take this opportunity to withdraw that word and not to blemish the good nature of this House, which never becomes political. We do not get into harsh political language at all, and I think the hon. member might like to have such an opportunity.

[*Translation*]

Mr. Loiselle (Chambly): Mr. Speaker, as I just indicated, the hon. member should be ashamed of what he says because I know his riding well, and in any event most producers in his riding would not support him.

Mr. Deputy Speaker: Order, please. I would ask the hon. member to return to his seat. I want to indicate to him that I did not hear the remark he made, but if he used a term that was not parliamentary, I think he should withdraw it.

Mr. Loiselle (Chambly): If I said "liar"—

Mr. Deputy Speaker: I did not hear the remark.

Mr. Loiselle (Chambly): If I said "liar", I will correct myself by saying the hon. member did not tell the truth.

Mr. Deputy Speaker: I think the explanation given by the hon. member is acceptable.

[*English*]

I hope the hon. member will accept the explanation.

It being 10 p.m., it is my duty to inform the House that, pursuant to Standing Order 58(11), proceedings on the motion have expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

POST OFFICE—DOOR-TO-DOOR MAIL DELIVERY IN URBAN AREAS

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, on two occasions I have raised questions in reference to conditions in the Post Office and to the way it is functioning in the city of Calgary. I raised this matter on January 26 and again on February 13. I asked the minister to order an independent investigation into the workings of the Post Office and into the gross inefficiency in a city which is growing by more than 2,000 inhabitants a month.

I want to make it abundantly clear that in my long association here as a member of parliament, and before that in practising as a barrister, mail was the lifeblood of both endeavours. I have found that 99.9 per cent of those involved

with post office work are dedicated people who endeavour to be honest. However, sometimes one bad apple in a barrel will turn every apple bad, and let those who deny that the things I will be dealing with tonight are happening come forward and explain these people's serious and real grievances.

What are some of those grievances? Separate from the main post office in Calgary and the distributing centre near the old air depot we have what we call mail depots at Ranchlands, Beddington Heights, Dealcour, Edgemont, Pineridge, Temple, Rundle, and so forth. As these mail depots are only open from eight in the morning to four in the afternoon or, as some of the letters show, from 8.30 in the morning to 3.30 in the afternoon, if both spouses in a family are working it is impossible for them to get their mail. In the rest of the city there is mail delivery, that is, in the old parts of the city. There they pay the same taxes as those people who live in the new areas and who are getting a different service. Therefore there is discrimination, because they all pay the same taxes.

● (2205)

People in my city are pretty reasonable and if they could get their mail and get proper and honest delivery of mail after working hours out of boxes when the depots are open, then I would not be receiving a petition with 240 names on it asking their member of parliament, that is myself, for some action.

Last February 4 two employees came to me on Sunday morning and disclosed certain grievances, other than those I have discussed, concerning certain things that are taking place in the Post Office at present. They dealt in particular with what is happening to fragile parcels which are posted in various parts of Canada, or indeed in Calgary to go to other areas. They asked me not to use their names because they were frightened of what might happen to them if I disclosed their names with reference to the information they gave me.

I just want to deal with some of the grievances which were related to me. Here is a letter written on August 25, 1978, and it is rather symbolic of the Post Office. It is written by Mr. Doolittle. He writes:

> This past week here in Calgary the "special delivery" service arrived at our establishment at approximately 6.30 p.m. and found the place closed and the door locked as we are on summer hours and are closed between 5 p.m. and 7 p.m. for supper.

The mail was the payroll for a large company. There was a kid in his early teens outside. An envelope with many thousands of dollars was handed over to him to hold until the place re-opened. Luckily the kid, with true western character, was honest and the people got their payroll.

Let me read from another letter dated August 24, 1978, written by W. R. Porteous. He writes:

> The problem is that a duly stamped first class envelope clearly addressed was posted at Sarnia, Ontario on the 4th day of August containing business documents one of which was an invoice for $198,000. This envelope was lost by your department until today, August 23, 1978.

It is signed W. R. Porteous, Assistant Division Manager and Division Engineer of Halliburton Services Limited.

[Mr. Woolliams.]

I have one more letter of grievance dated April 4, 1978, written by Vernon E. Sills, and the Calgary address is in my riding. He writes:

> As you are no doubt aware, it is not uncommon for mail to cross Calgary in roughly five to seven days, however, one item that may have escaped notice is the fact that some of my subscribed hobby magazines always seem to arrive opened.

The Calgary North *News* finds that its subscriptions are being cancelled by the dozen because people receive this weekly newspaper three weeks after it is posted in the same city.

I have another letter here dated April 4 which again refers to the Post Office situation. The minister says that I exaggerate the situation. Just listen to this letter which reads:

> In light of the fact Rev. E. Lindenburger of Fort MacLeod received a parcel of clothes mailed from Sudbury, not only was this parcel inexcusably damaged and mutilated, it was also soaked with what appears to be kerosene and placed in a plastic bag in Winnipeg and stamped "repaired".

● (2210)

I could go on and on. A newspaper clipping deals with what I have said about depots by stating:

> With several new developments just opening up, the post office estimates that by 1979 some 20,000 Calgarians living in 6,200 households could be getting their mail from the six depots and three postal stations now handing it out.

It points out the fact that these people are not able to get their mail because these places are locked up when they get off work. I have many letters with evidence that indicates that the people have talked with the postmasters or postmistresses at these depots where parcels are damaged. Some employees have even admitted playing hockey with the parcels, and doing other things.

I am asking for an independent investigation. If there is nothing wrong with the Post Office, and the grievances of these thousands of people are not true, why is the minister refusing us an independent investigation? That is all we are asking.

Mr. D. M. Collenette (Parliamentary Secretary to Postmaster General): Mr. Speaker, at the outset I would like to assure the House that virtue is not a characteristic confined only to western Canadians. I am sure the hon. member for Calgary (Mr. Woolliams) did not want to mislead the House in that respect.

The Postmaster General (Mr. Lamontagne) is fully aware of the situation in Calgary, a situation that is also occurring across the country. Calgary, riding the crest of a buoyant economy, has expanded rapidly. This expansion has made it impossible for Canada Post to react as quickly as we would have liked to the needs of new suburbs in Calgary.

It is well known in this House that the government is committed to restraint in its spending. While it is popular to clamour for cuts in government spending, it is inevitable that when cuts are made some people will be adversely affected. We cannot have it both ways. Obviously the hon. member for Calgary North and his colleagues in the Conservative party do not believe that.

The Leader of the Opposition (Mr. Clark), since his election as leader of that party in 1976, has castigated the government for its increased expenditures. When the government does its homework and brings in programs to cut back government spending, there are objections from the hon. member for Calgary North and others on that side. At the same time the Leader of the Opposition is floating around the country making pre-election promises totalling in value something over $6 billion; something which I think is scandalous and intellectually inconsistent, but which is characteristic of the Conservative party. We either spend at an unabated rate and contribute to the inflationary spiral, or we try to restrain expansion of services, even though those services are essential, as are postal services.

We have had to curtail expansion in a number of Canadian centres. Nevertheless, in all cases we have provided local services in the form of group boxes or general delivery. What we have provided has been designed to give the best service possible, at that point in time, while we take steps to make improvements.

Most Canadian centres have not expanded as dramatically as Calgary. I would like to remind the hon. member for Calgary North that we have the same problem in metropolitan Toronto. Many representations have been made by my colleagues, the hon. member for Halton (Mr. Philbrook), the hon. member for Peel-Dufferin-Simcoe (Mr. Milne), and the Minister of National Revenue (Mr. Abbott) on this exact subject.

Competent staff must be found and facilities must be built. All of this must be done with great care to ensure that by satisfying the needs of Calgarians we do not impose unwarranted hardships on other Canadian centres, including Toronto and other cities across this country.

The hon. member for Calgary North made some remark about an independent investigation. Members of his party will have an adequate opportunity to talk about postal problems when Bill C-27 comes before the committee. That bill is to establish a Crown corporation, and the hon. member for Calgary North will be able to get all the frustrations out of his system.

Within a very short time the Postmaster General, I assure this House, will have some very heartening news for the citizens of Calgary.

FINANCE—OTTAWA—GRANTS IN LIEU OF TAXES

Mr. Lloyd Francis (Ottawa West): Mr. Speaker, on February 9, I asked the Minister of Finance (Mr. Chrétien), whether he was in a position to make an announcement about grants in lieu of taxes to the city of Ottawa, and on February 19 the minister, when making a press release, outlined that it was the intention of the government to introduce legislation which would change the Municipal Grants Act and increase federal grants in lieu of taxes by $25.5 million by the end of a four-year phase-in period across Canada.

● (2215)

The effect of this new policy would be to increase grants to the city of Ottawa by $3 million in the year 1980, by $4 million in 1981, by $5 million in 1982, and by $6 million by 1983. The people I represent very much appreciate the fact that the federal government has recognized, not only in the national capital but across the country, that there is an obligation carried by municipal taxpayers for services to government owned property which has not been properly shared up to this point.

There are some aspects of the situation in the national capital to which I would like to call the attention of the government and the members of this House. In the national capital region there has been a special policy developed which is not applicable in the same way in other parts of Canada. The government has decided first on a policy of relocation from Ottawa to Hull of something like six million square feet of office space, and it has further decided to decentralize out of the Ottawa-Hull national capital region approximately 15,000 to 20,000 jobs. The latter policy has run into some difficulties because of the language guarantees to those who were slated to be transferred to the province of Quebec, and to that extent that policy has been stalled.

I think that it is evident to anyone who cares to look about in the centre of the national capital that there is vacant office space and a depressed condition among the merchants on the Mall and in other areas. All this reflects the fact that it is a company town and the policy of the major employer in this area is to change the scale of its major operations.

I recently asked the finance commissioner of the city of Ottawa what he thought the impact of the new policy was in this area, in other words, whether the formula for grants in lieu of taxes will generally reflect the scale of the government's operation. He told me that something between $1 million and $1.5 million per year were lost in grants than would have been the case had this abandonment not taken place. It is not easy to put a figure on it. The policy will be reflected slowly. The privately owned office accommodation which becomes vacant will apply for a reduction in its taxes in periods ahead. The federal government, of course, has destroyed two million square feet of temporary office accommodation, or is about to complete that destruction. That accommodation may have not been the best, but it does mean that the grant is being reduced accordingly. I think that there is a special hardship as a result of the very decided policies of the Government of Canada with regard to the national capital region which should be considered by the department.

There is the broader question which the regional municipality has argued in the past, that the Government of Canada should pay business taxes, something which it does not presently do. This is as a result of the way in which the province of Ontario casts its tax structure on municipal property residential rates and business rates. Not every province follows this method. I am told that Prince Edward Island changed the basis of its taxation to eliminate the separate business tax, which had the effect of increasing the federal grants accord-

ingly. The city of Ottawa has applied to the province on many occasions to change the basis of taxation because it would add something like $30 million a year to its coffers if the federal government paid the full taxes as a normal private employer would do. The government has rejected this contention.

I do not hold out much hope, on the basis of discussions which have taken place, that there will be a change in the position of the federal government. I do hope that the government will consider a change in policy as part of a new phase of federal municipal relations in Canada and that it will carry its full share of the tax load for services to that property which it owns in the municipalities. I hope that it will look at the special claim of an area like the national capital which suffers from the adverse effects of federal government policies. I hope also that the province of Ontario will look at its structure of business and residential taxes and make certain modifications that would be more consistent with the way in which property taxes are levied in other parts of Canada. That would have the effect of substantially increasing the grant.

● (2220)

Mr. D. M. Collenette (Parliamentary Secretary to Postmaster General): Mr. Speaker, I am pleased to respond to the hon. member for Ottawa West (Mr. Francis) on behalf of my colleague, the hon. member for Scarborough West (Mr. Martin), who is away on government business.

In response to the question raised by the hon. member for Ottawa West, the government is preparing legislation concerning grants to municipalities in lieu of taxes. A bill providing for a completely new Municipal Grants Act will be tabled very soon. The details of the government's proposals for enlarging the grants program will be set out in that bill. A statement providing a general outline of the proposals will be issued within the next few days.

A great deal of work has gone into the preparation of a new act. This has included an examination of all of the various restrictions on the grants that are now paid. In particular, a detailed study has been made of each of the categories of property that is presently excluded from grant, and of various irritants with the program that have accumulated in the 22 years since the legislation was last amended.

While the program of grants in lieu of taxes is a national program which applies all across Canada, it does have particular importance for municipalities in the national capital area, including the city of Ottawa, to which the hon. member for Ottawa West has referred. In view of these circumstances the government has looked carefully at the impact of the present grant program on Ottawa in order to ensure that the new program will treat the city in a fair and equitable manner. The new municipal grants act will take account of this study, and the government's proposals will bring important benefits to the city. It will also take account of numerous representations which have been received from the city and, on behalf of the city, from the hon. member for Ottawa West and the hon. member for Ottawa-Vanier (Mr. Gauthier).

[Mr. Francis.]

In closing, Mr. Speaker, I should like to acknowledge how the hon. member for Ottawa West and his colleague, the hon. member for Ottawa-Vanier, have spoken out most strongly and forcefully on behalf of the citizens of Ottawa on this particularly difficult subject.

INDUSTRY—REBUILDING OF AIRPORTS IN TRINIDAD—GOVERNMENT INVOLVEMENT

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, some time ago I received a letter from a constituent who is vice-president of a telecommunications engineering firm. He enclosed an article from the *Globe and Mail* "Report on Business". The heading indicated that Canada will provide $10 million for Trinidad airports and that it is planning to help build new airports and a penitentiary there.

Just a few days ago, February 15, the Ottawa *Citizen* carried an article which pointed out that Canada will act as the key contractor for the construction work. In part the article reads as follows:

> Presumably, when the memorandum was under discussion, Trinidad's officials were not acquainted with Canada's experience in building penitentiaries.

If the Minister of Industry, Trade and Commerce (Mr. Horner) wants to sell Canada's expertise in building penitentiaries, which one will he use as a model—Archambault, Millhaven, Laval, the B.C. penitentiary, Dorchester, or Kingston?

When I put a question to the minister in the House about the construction deal his department is negotiating with Trinidad, he answered, as reported at page 1652 of *Hansard,* as follows:

> Our Department of Transport was chosen to act as a key contractor. It will seek out and sublet contracts to Canadian engineering firms in order to complete the work.

We should focus on two points in this matter, Mr. Speaker. First, is the government competent to act as the key contractor in the construction of airports? Mirabel airport cost $600 million and is now running into the red at $1 million per week, something like $52 million per year. It is the forty-fourth busiest airport in Canada, which does not show the government as competent to act as the key contractor for other airports. When I went through Mirabel airport a year ago the roof was leaking and the floors were cracked. A zinc tub placed to catch the leak from the roof had a beautiful red velvet rope around it. The government was the key contractor for that installation.

● (2225)

I turn to what the Auditor General said concerning the government's role as key contractor for the airport at Calgary. I quote from paragraph 19.105:

> Although the design and construction of air terminal buildings to meet future requirements is a complex task, we are not satisfied that the Department's procedures were adequate to prevent any unnecessary increases in either the cost or size of the Calgary air terminal building. Specifically:
>
> Extensive authority was delegated to the Western Region without effective review, challenge and control by Headquarters.

There was no clear acknowledgment by individuals within the administration of responsibility or accountability for the financial viability of the new airport complex once in operation.

There were inadequate general area and cost criteria, based on comparable Canadian or foreign facilities, against which to monitor the project.

I recognize that that airport in appearance is palatial, but can we afford to operate it, especially when one looks at the cost overruns?

On the other side of the coin we have airports all across Canada. Think of the airport at Castlegar which the hon. member for Kootenay West (Mr. Brisco) asked about the other day. The Minister of Transport (Mr. Lang) would not provide adequate facilities for that airport. Then the hon. member from Esquimalt continually asks about getting radar for the Victoria airport, to no avail. But the Minister of Industry, Trade and Commerce wants to act in a grandiose manner and be the key contractor for the airport in Trinidad. I say if the government is the key contractor, can Trinidad afford it?

And so it follows, if the government wants to negotiate trade, and it keeps on saying that it wants to privatize everything—the Prime Minister (Mr. Trudeau) said a few days ago how profit is honourable and he believes in the private sector—why did the Minister of Industry, Trade and Commerce not tell the government of Trinidad that Canada has many consulting engineers and engineering firms who are perfectly competent to do that work that Trinidad needs? The minister could tell representatives of the Trinidad government that he would find out whether our consulting firms would give expertise to the government of Trinidad, and through the Export Development Bank or one of the government agencies make sure that we could finance the $10 million that is being talked about. If the government really believes in private enterprise, why did it not take that route? But rather than do that, this government with its centralist view would prefer to work through the Department of Transport and pretend that the officials of that department can act in an adequate way as key contractors for the project.

I think the people of Canada deserve a straightforward, candid, honest answer on how much this will cost the government of Trinidad if our government is to be the key contractor. How much is the business community in Canada going to lose because the government is acting as the agent rather than providing the liaison so that private enterprise, the engineering firms and consultants in Canada, can do that work? We deserve some straight answers.

How many other commitments do we add that are not recorded in this memorandum? We will never know, as we found out relative to the deals that were made with Cuba. How many years will it take before we learn what the whole picture really is?

● (2230)

[*Translation*]

Mr. Bernard Loiselle (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, I am pleased to answer the erroneous questions of the hon. member, because the role of the Government of Canada in that agreement we signed with Trinidad-Tobago will not be to act as the key contractor, but rather to provide the government of Trinidad-Tobago with the consultants required for carrying out those projects.

Mr. Friesen: That is not what you said.

Mr. Loiselle (Chambly): Please, listen. As much for the two proposed airports totalling $150 million as for the proposed penitentiary we will have to build. The only role the Department of the Solicitor General and the Department of Transport will have to play, will be to define with the government of Trinidad-Tobago a schedule for those projects and, then ask Canadian consulting engineers to provide the expertise to carry out the contract.

The other role of the Government of Canada will be through the EDC to provide the financing.

But, Mr. Speaker, it is as simple as that. About that contract with Trinidad-Tobago, I believe last week when I was in Toronto with perhaps the 15 biggest construction and consulting businessmen in Canada, everyone agreed that the attitude of the Minister of Industry, Trade and Commerce (Mr. Horner) in this specific project had been excellent. And I would like to come back to the hon. member who wants to talk about Mirabel. I would like to come back to the hon. member who would like to talk about certain other projects we should be ashamed of in Canada. I would like to say to the hon. member that as someone who travelled across this country, who has friends in the consulting business, Mirabel would be the glory of about any country. And when someone tells me that it is a mistake to have done what we did, I say that the only mistake the government made in that case was perhaps using project managers rather than civil servants to carry out the whole project and if that is the hon. member's defence of private enterprise as he sees it, that is bullshit and he is wrong. As it happens, the hon. member is talking out of context because Mirabel can be held as an example to every other country, as all experts agree.

As concerns our projects for penal institutions, we have consulting engineers in Quebec and in the other provinces whom we can hold as an example to others for the implementation of such projects, precisely because of the wish of the Canadian government to show confidence in our Canadian experts. However, when the hon. member makes erroneous statements, as I said a moment ago when I called another member a "liar," which I amended by saying that he was straying a bit far from the truth, this has really been his trademark in the last few months.

Mr. Deputy Speaker: Order, please. I understand that a point of order cannot be raised during the adjournment motion, but I would like the hon. member to note that on page 105 of the fifth edition of Beauchesne, the word he used earlier is said to be unparliamentary, and I hope he will at least try to retract what he said even though the word has already been used. In any case, I can remind him that he has violated the Standing Orders of this House.

The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until 11 a.m. tomorrow.

Motion agreed to and the House adjourned at 10.32.

HOUSE OF COMMONS

Friday, February 23, 1979

The House met at 11 a.m.

• (1105)

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

OBJECTION TO USE OF THEIR EXCELLENCIES' PHOTOGRAPHS IN LIBERAL CONSTITUENCY REPORTS—MOTION UNDER S.O. 43

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, under the provisions of Standing Order 43, I rise on a matter of urgent and pressing necessity.

In view of the use by some Liberal members of parliament of a pamphlet from parliament, at public expense, containing photographs of Their Excellencies and observations concerning His Excellency, a document that is patently designed with the intention of implying their association therewith, thereby placing the Queen's representative in a potentially invidious constitutional position, I move:

That this House direct that such constituency reports have deleted therefrom the references to which I have already referred.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CRIMINAL CODE

BILL TO AMEND SECTIONS DEALING WITH SOLICITING AND PROSTITUTION—MOTION UNDER S.O. 43

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I rise, under the provisions of Standing Order 43, to seek the unanimous consent of the House to discuss a motion relating to a matter of urgent and pressing necessity.

The cities of Vancouver and Toronto, and other major urban centres, have requested an amendment to the Code in reference to solicitation and prostitution to restore order on their streets. All parties have agreed to have this amendment severed from omnibus Bill C-21. I therefore move:

That the government bring forward this bill forthwith without delay, and in consequence that it be approved by parliament expeditiously, so as to prevent the error made by the Prime Minister when he was minister of justice, of removing a similar clause dealing with the same when the vagrancy section of the Code was totally repealed.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Woolliams: How can you say no when your party wants it done? They have approached us.

* * *

AIR TRANSPORT

REQUEST FOR IMPROVED FACILITIES AT YORKTON AIRPORT—EAST-WEST SERVICE—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I rise under the provisions of Standing Order 43.

The city of Yorkton neither needs nor wants the air route awarded to Norcanair by the Canadian Transport Commission. Considering that Norcanair has failed to inaugurate this service, violating the CTC's requirement that service commence within six months of July, 1978, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the Minister of Transport provide at once the necessary assistance to improve the maintenance and runways at Yorkton airport, and that he assist the city in attracting east-west air service from Transair to the extent, if necessary, of providing operating subsidies on this route.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

• (1110)

NATIONAL UNITY

GOVERNMENT'S POSITION ON QUEBEC'S PROPOSAL FOR ADMISSION TO UN—MOTION UNDER S.O. 43

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I rise, under the provisions of Standing Order 43, to move a motion of urgent and pressing necessity.

In view of the depressing statement by the Minister of Justice that "four-fifths of the Parti Québécois program can be implemented within the federal system and the remaining fifth can be negotiated", I move, seconded by the hon. member for St. John's East (Mr. McGrath):

That this House direct the Minister of Justice to make a statement on motions to explain the government's intention with respect to item II, subsection 4 of the Parti Québécois' program, namely, Quebec's admission to the United Nations.

Mr. Speaker: Introduction of such a motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

GAMBLING

SENATE COMMITTEE STUDY OF OFF-TRACK BETTING—MOTION UNDER S.O. 43

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, under the provisions of Standing Order 43, I wish to move a motion on a matter of urgent and pressing necessity.

Now that the Minister of Agriculture has evaded his responsibility by asking a committee of the other place to report on what to do about off-track betting, the same minister, by way of a statement in this House, should explain his change of attitude about the other place in view of his reported observation a few months ago when, on being asked if he would like an appointment as a senator, said, "Lord save me. I would never want to be a senator"—

Mr. Speaker: Order, please. The hon. member for Provencher (Mr. Epp).

* * *

CRIMINAL CODE

AMENDMENT TO PROTECT CHILDREN FROM SEXUAL ABUSE—MOTION UNDER S.O. 43

Mr. Jake Epp (Provencher): Mr. Speaker, I rise under the provisions of Standing Order 43.

In view of the fact that section 166 of the Criminal Code more adequately protects female children than male children against sexual exploitation, and in view of continuing incidents of sexual exploitation of children, I move, seconded by the hon. member for Selkirk (Mr. Whiteway):

That the government move swiftly to implement the provisions of Bill C-211, an act to amend the Criminal Code, which the government included in Bill C-21.

Mr. Speaker: Presentation of such a motion for debate at this time requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Hnatyshyn.]

CANADIAN NATIONAL RAILWAYS

PROVISION OF BOXCARS TO FOREST PRODUCTS INDUSTRY IN NORTHERN ONTARIO—MOTION UNDER S.O. 43

Mr. B. Keith Penner (Thunder Bay): Mr. Speaker, I rise under the provisions of Standing Order 43.

Being fully aware of the urgent need for more railway boxcars in western Canada for the movement of grain, especially wheat, but believing that it is totally unacceptable to impoverish other regions of the country in order to meet this need, thereby causing industrial disruption and lay-offs in those regions, I move, seconded by the hon. member for Ottawa-Vanier (Mr. Gauthier):

That this House requests the Government of Canada to instruct the Canadian National Railways to maintain their full commitment of boxcars to the forest products industry of northern Ontario for the movement of wood chips and other forestry products such as lumber.

Mr. Speaker: Such a motion can be introduced for debate at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EXTERNAL AFFAIRS

CALL FOR LEGISLATION IMPOSING SANCTIONS ON COMPANIES COMPLYING WITH BOYCOTTS—MOTION UNDER S.O. 43

Mr. Bob Rae (Broadview): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

In view of the increasing evidence of a systematic, pervasive boycott by many Arab countries against Canadian companies that continue to trade with and invest in Israel, and in view of Canada's friendship with Israel and concern for her future economic and political security, as well as our opposition as a country against discrimination of any kind, I move, seconded by the hon. member for Oshawa-Whitby (Mr. Broadbent):

That the government introduce legislation for second reading providing for sanctions against companies that comply with such a boycott without further delay.

Mr. Speaker: Such a motion can be presented for debate at this time only with the unanimous consent of the House. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

AIRPORTS

CASTLEGAR, B.C.—REQUEST FOR UPDATING OF FIREFIGHTING EQUIPMENT—MOTION UNDER S.O. 43

Mr. Bob Brisco (Kootenay West): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In light of the fact that over one year ago the ministry of transport promised a foam truck for firefighting at the Castlegar airport, and promised ten months ago new navigational aids—neither of which have been delivered—and in light of the fact that in the past year the only addition to the firefighting equipment at Castlegar airport has been two pairs of snowshoes, without operating instructions, I move, seconded by the hon. member for Pembina (Mr. Elzinga):

That the Minister of Transport consider and correct the inadequacies of the existing equipment consisting of one ancient fire truck, one fire axe, two fire extinguishers, three pairs of rubber boots, two pairs of snowshoes, and a second rubber ducky for the minister.

Mr. Speaker: Order, please. Oral questions.

ORAL QUESTION PERIOD

[*English*]

SCIENCE AND TECHNOLOGY

MINISTER'S REACTION TO SCIENCE COUNCIL REPORT "FORGING THE LINKS—A TECHNOLOGICAL POLICY FOR CANADA"

Mr. John C. Crosbie (St. John's West): Mr. Speaker, in the absence of the Prime Minister, who is in Toronto looking for help—he did not find any, I do not believe, either—my question is to the Minister of Science and Technology who is the Minister of Energy, Mines and Resources, because I do not think he realizes he is the Minister of Science and Technology.

● (1115)

The minister has just had a report presented to him by the Science Council of Canada, called "Forging the Links—A Technological Policy for Canada", in which it is pointed out that Canada is faced with a serious economic crisis and that its share of world manufactured exports dropped from 5.6 per cent in 1970 to 3.8 per cent five years later. In addition, it points out that if we had been able to maintain our exports at the 1970 level, we would have an additional $8 billion worth of exports and we would have trimmed our unemployment in this country by one-third.

In view of this report to the minister, by an independent, non-political body appointed by the government, would the minister tell the House whether he believes the analysis of this report and will act on it, or does he believe the Minister of Transport who said last Tuesday that this country is in excellent economic shape? Whose advice has he taken? Is he going to act on this report?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, if the hon. member had looked at the figures, he would know that there has been a very substantial increase in employment in the manufacturing industry: something in the order of well over 100,000 new jobs were created in the manufacturing industry last year. But that is not to say the government is complacent about the health and promise of the manufacturing industry. Indeed, I think the Science Council's report will be a helpful report to the government and to industry as well.

The hon. member should know that the 23 sector task forces, which were composed of both industry and labour, reported to the government and the government has been able, through what is really a massive review of policy with respect to the manufacturing industry—

Some hon. Members: Oh, oh!

Mr. Gillespie: —to agree to a very substantial number of those recommendations, recommendations which should strengthen the manufacturing industry in the years to come.

Mr. Crosbie: Mr. Speaker, the figures for last year show that our deficit in fully manufactured products internationally, with the world was $12.2 billion and that our deficit with the United States in fully manufactured goods was $8.9 billion, up $700 million from the year before.

The Science Council of Canada has pointed out that our deterioration is worse in advanced industrial sectors. They conclude that Canada is moving away from an industrialized economy back to one based on the export of raw materials. In light of the conclusions of this eminent group which is very familiar with the Canadian manufacturing industry, will the minister stop his flippant replies, forget that he was on the program last night on Global TV, "Snow White and the Seven Economic Dwarfs"—

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please.

Mr. Crosbie: —and tell the House what steps the government intends to take to reverse this desperate situation that has grown up since 1970 under their jurisdiction? What steps does he intend to take—not flimflam and nonsensical replies?

Mr. Gillespie: Mr. Speaker, I think the Canadian people and, indeed, industry would expect government to work with industry. That is why my colleagues and I have emphasized the importance of labour-management-government co-operation.

I referred a moment ago to the massive review of policy; that something in the order of close to 1,000 personnel from industry and from labour participated in these task forces. The hon. member seems to want to ignore the fact that the largest part by far, the majority, of the Canadian manufacturing

industry was covered by these task forces. These task forces examined the strengths and weaknesses of our manufacturing industry and they made a number of recommendations, the vast majority of which I have already indicated the government has accepted.

Mr. Crosbie: Mr. Speaker, let me give the minister one other statistic. From 1970 to 1977, the proportion of the Canadian market served by imports grew from 26 per cent to just over 31 per cent. We are losing our exports and we are not displacing the imports.

Will the minister tell us, does he agree with the conclusion of this study, which reported to him, that our industry has weakened since the 1960 merger of the department of industry with trade and commerce? Is he now considering separating these two bodies again, in view of the fact that industry seems to have been smothered and has never recovered since this merger?

Mr. Speaker: Order, please.

Mr. Crosbie: Is the minister taking this seriously? After all, three years' work went into that report.

Mr. Gillespie: Mr. Speaker, the hon. member is confused with imports and exports—

Mr. Whelan: That is normal.

Mr. Gillespie: —and whether we should be increasing our imports or reducing our exports. That is the way the question came across. Let me assure the hon. member that if he looks at the figures, which I suspect he does not do very often—

Mr. Whelan: Right on.

Mr. Gillespie: —he will find that we had a record merchandise trade surplus last year, and he will see that the manufacturing industry in many sectors of Canada right now is performing virtually at full capacity.

• (1120)

He would also recognize that the science and technology R and D incentives of last year resulted in a major, new incentive program for industry which we hope will help to produce the kind of Canadian research and development activity in the future which will build a more innovative manufacturing industry in this country.

* * *

INDUSTRY

NEED FOR AN INDUSTRIAL STRATEGY FOR CANADA

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in the absence of any minister who is even remotely an economic minister, I will go to one of the Seven Dwarfs, sometimes referred to as Smiley: I refer to the Minister of National Revenue.

[Mr. Gillespie.]

As a dispute seems to have broken out between the President of the Board of Economic Development Ministers and the Minister of Labour as to whether it is desirable in this country to have anything called an industrial strategy, will the minister indicate where he falls in this debate: is he for an industrial strategy, or against it?

Hon. A. C. Abbott (Minister of National Revenue and Minister of State (Small Business)): Mr. Speaker, the hon. member says I am referred to as Smiley. I think it would be unparliamentary of me to mention some of the names by which he is referred to.

I attended the conference at which both ministers expressed themselves on the question of industrial strategy. I dispute very much that they had any severe difference of opinion.

Mr. Clark: They were four-fifths together.

Some hon. Members: Hear, hear!

Mr. Stevens: Mr. Speaker, I hope I did not misname the minister: there are several other names applied to the Seven Dwarfs, such as Dopey, Sleepy, and a few others; perhaps one of those is more fitting.

My further question to the minister centres on this important question which came up in the task force Overview; that is, that the commodity tax review has been stalled, notwithstanding the fact Overview recommends that the important advantage that is being given as a result of commodity taxation in this country be ended. We have been trying to get a reference to the finance committee on this matter. Will the Minister of National Revenue indicate whether he is aware of the anxiety concerning this imbalance and, second, will he take some steps to get proper reference to the finance committee so that some type of a report can be forthcoming?

Mr. Abbott: Mr. Speaker, to the minister of finance that cannot be, I would simply say that when the Minister of Finance returns to the House, the hon. member should ask him that question: it is entirely his responsibility.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I wish to direct a question on the same subject matter to the Secretary of State for External Affairs, in the absence of the Prime Minister and the Deputy Prime Minister.

The acceptance or non-acceptance by the government of an industrial strategy is absolutely central to the question of the industrial future of this country. Considering that the President of the Board of Economic Development Ministers flatly rejected such an approach yesterday in Toronto and, contrary to what we have just heard from one of the minister's colleagues, the Minister of Labour said what we are doing now is not going as far as he would have liked and that this piecemeal approach is not enough—that is a flat disagreement between the senior minister and the Minister of Labour—I would ask the Secretary of State for External Affairs: who was speaking for the government on this matter? Does the government accept, or not accept, the need for an industrial strategy?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, there have been many statements made in this House by present ministers and their predecessors, including myself as minister of industrial development and also as minister of industry, trade and commerce. The issue may well hinge on whether we are talking in the singular in terms of an industrial strategy, or talking, as the sectoral report suggests, of having a number of related strategies, each of which is moving ahead within a general, over-all framework.

● (1125)

If we look at the statements which have been made with regard to industrial strategies on, for example, the shipbuilding industry and the forest industry within the last few weeks, it can be seen that the Board of Economic Development Ministers is in fact pursuing a series of industrial initiatives in all of the key sectors. Whether one wishes to put an umbrella definition on that as being a total industrial strategy or whether, as the responsible minister has said—and I agree, and I am sure all our colleagues on this side agree—one goes at it on the basis of analysing each individual key sector and developing it in the way which is now being done is, I suggest, more a matter of semantics than anything else.

Mr. Broadbent: Mr. Speaker, I say, with respect, to the minister that the question is much greater than a semantic one.

I will go back to the Minister of Energy, Mines and Resources. The Science Council correctly pointed out that dealing with different sectors of the Canadian economy or different aspects of our economic difficulty, whether it is inflation on the one hand or unemployment on the other, is not enough. The Science Council says that these have to be seen as symptoms of a larger structural difficulty.

I would like to ask the minister who has responsibility for the Science Council why the Government of Canada cannot do what France, Japan, Norway, Sweden and most other industrial countries have done, that is, have an over-all industrial strategy which integrates economic policy. That is the only way, as the Science Council has pointed out, that we can achieve long-range full employment in this country.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, it has already been made very clear by my colleagues, the Secretary of State for External Affairs and the President of the Board of Economic Development Ministers, that we are approaching this in key sectors. We are approaching it from the point of view of the interests of both management and labour. Labour and management in each of these sector task forces made recommendations.

The government was not sitting there saying, "We are going to decide what should be done". We were saying, "We would like to hear from you." To each of these sector task forces government personnel were attached, but government personnel were not writing the rules; they were listening and taking notes; they were part of the process. I am sure the hon. member would agree that labour has something very important to say about the development of an industrial strategy for Canada.

Mr. Fraser: When did you ever listen to labour?

Mr. Gillespie: If the hon. member does believe that, he should be supporting the government's efforts to involve the labour movement in the enunciation and articulation of separate strategies for separate industries.

Mr. Broadbent: Mr. Speaker, the minister really should go out and have another glass of sherry.

Some hon. Members: Oh, oh!

Mr. Broadbent: Will he, just for once, deal with the substance of the matter? The Science Council points out that the government has never had a coherent industrial strategy because it has, and I quote, "an ideological aversion" to planning in a sensible way. Why is it that other industrial countries can recognize that there is a need to match resource development with industrial output, that there is a need to integrate inflation policy with full employment, and that there is a need not simply to have a shipbuilding industry in one part of Canada and a plastics industry in another part, but to integrate the two?

Why is it that other industrial countries are able to do this, but this government—which has been around for many years—has not been able to do that in the past and is refusing to do it for the future?

Mr. Gillespie: Mr. Speaker, let me go back to the key performing parts of the Canadian economy, the industries themselves. The government believes that labour and management should work together. The forest products industry is a very good example. It is a massive industry. It is one of our most important exporting industries. As a result of the consultation which took place between labour, management and the government with respect to problems and opportunities, the government announced a program of support for the industry which will help it become competitive and modernize for the future.

We believe in a selective approach like that and in dealing with each of the key sectors. The automotive sector is another important one, as the hon. member knows. He has also mentioned the shipbuilding sector. We believe in working with the parties involved. We would be more likely to develop a viable and strong shipbuilding industry through consultation that by working in some back room as perhaps some of the hon. member's supporters believe we should.

Oral Questions

● (1130)

[*Translation*]

SHIPBUILDING

INQUIRY WHETHER TENDERS WILL BE CALLED FOR IMPROVEMENT OF SHIPBUILDING FACILITIES

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, my question is directed to the Minister of Supply and Services.

In view of the fact that last week the Davie Shipbuilding Limited in Lauzon had to lay off some 100 workers for lack of contracts, could the minister advise the House whether he has been asked by the Minister of National Defence to call for tenders to repair or build ships in shipyards located in eastern Quebec?

Hon. Pierre De Bané (Minister of Supply and Services): Mr. Speaker, I am pleased to advise the hon. member that I shall be visiting this shipyard personally on Monday of next week. I want to remind him that, especially due to the difficulties both Canadian and foreign shipyards are experiencing, there are problems indeed. That is why Mr. Andras, the president over a conference of the Board of Economic Development Ministers, announced two months ago an accelerated program of ship repairs. As for us, in order to indicate to the House an interesting date, I should like to advise the hon. member that on April 19 we shall complete the assessment of the proposals we received in December, 1978, for the building of six new ships costing $1.5 billion. We hope to have the assessment of these proposals completed within the next two months. Following that, there will be, of course, a full schedule to adhere to before a contract can be awarded.

INQUIRY AS TO POSSIBILITY OF GIVING PRIORITY TO LAUZON SHIPYARDS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I see from the reply of the minister that things are improving. I should like to ask whether contracts are awarded after calls for tender or after negotiations with the shipyards themselves? Can the minister also tell us whether he has the authority to give some priority to the Lauzon shipyard which, to my mind, is the most affected of all shipyards in eastern Canada?

Hon. Pierre De Bané (Minister of Supply and Services): Mr. Speaker, where building is concerned we proceed through calls for tender. Naturally, when we do we realize that some shipyards are already filling out orders, and because of that they cannot tender while others, as the hon. member mentioned himself, like the Davie Shipbuilding Ltd., are going through extremely difficult times and are operating below capacity.

Personally, as a Quebecker and for the sake of fairness, I sincerely hope that the Davie Shipbuilding Ltd. can soon get some of the contracts awarded to the best bidder.

[Mr. Gillespie.]

REQUEST FOR STUDY ON IMPROVING FACILITIES AT LAUZON SHIPYARDS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, the minister certainly knows—if he does not, he will on Monday when he goes to the shipyards—that the yards need to be expanded, according to my information, in order to allow the company to build larger ships. Would the minister be willing to urge his cabinet colleagues to give very serious consideration to that matter and would he authorize the upgrading of the shipyards if these works are deemed necessary, which would obviously give quite a good deal of work to a few hundred people before the implementation of the projects which he referred to?

Hon. Pierre De Bané (Minister of Supply and Services): Yes, Mr. Speaker, I would truly be willing to discuss the matter when I go to the Lauzon shipyards on Monday and the hon. member can be sure that if it is established that upgrading operations would make the yards more efficient and productive, I will talk about it with my colleagues in the government.

While I am on my feet, Mr. Speaker, I would like to tell the hon. member for Bellechasse that a few months ago my department awarded a $12 million contract to the Lauzon shipyards for repairs to the *Protecteur*, a contract which I think will come to an end in June.

* * *

[*English*]

NATIONAL REVENUE

REASON DETAILED INCOME TAX RETURNS PLACED IN CUSTODY OF STATISTICS CANADA

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I should like to ask the Minister of National Revenue for what reason it is necessary to allow complete income tax returns of Canadians, or copies thereof, to be placed in the custody of Statistics Canada, when presumably it is only certain statistical data that is required.

Why is it necessary that tax forms leave the care and custody of Revenue Canada, particularly in view of the heavy responsibility placed on the cabinet and on this minister under section 23 of the Statistics Act?

Hon. A. C. Abbott (Minister of National Revenue and Minister of State (Small Business)): Mr. Speaker, the Statistics Act allows Statistics Canada to have access to returns and requires Revenue Canada to make them available in accordance with section 23. Section 16 of that act stipulates that the returns, when given to Statistics Canada, are subject to the confidentiality provisions in that area. I can assure him that so far as the Department of National Revenue is concerned, our files are kept in the strictest confidentiality.

Some hon. Members: Oh, oh!

Mr. Abbott: I can also assure the hon. member that if he comes snuffling around our place with his cameras and listening devices, we will throw him out on his ear.

Some hon. Members: Oh, oh!

Mr. MacKay: Now I know, Mr. Speaker, why there have been so many ministers of national revenue: it is a refuge for mediocrity.

Some hon. Members: Oh, oh!

Mr. MacKay: I want to ask the minister, seriously, whether he has had any discussions with the other minister specifically responsible for Statistics Canada, namely, the Minister of Industry, Trade and Commerce, and whether anybody to his knowledge is taking any interest in this statistical agency, because I would remind him that statistics can be used to support anything, especially statisticians.

Mr. Abbott: Mr. Speaker, I am not sure that the hon. member's inane discourtesies require an answer, but he knows which minister has the responsibility for Statistics Canada. On this particular subject, the Secretary of State for External Affairs, I believe, is prepared to answer questions concerning Statistics Canada—

Some hon. Members: Oh, oh!

Mr. Abbott: I say that he is prepared to do so in the absence of the Minister of Industry, Trade and Commerce.

Some hon. Members: Hear, hear!

Mr. Jamieson: Thank you very much.

Mr. Abbott: I simply thought I would point out, in the clearest English possible, that under the act we are required to turn over tax returns to Statistics Canada and that once turned over, they remain their responsibility. I do not know what further answer the hon. member would require.

INVOLVEMENT OF RCMP IN INVESTIGATING SECURITY AT STATISTICS CANADA

Mr. Bill Jarvis (Perth-Wilmot): There is absolutely no obligation to turn over those tax forms with names, addresses, and social insurance numbers—none whatsoever.

Some hon. Members: Hear, hear!

Mr. Jarvis: We have a situation where I and dozens of members of the House have farm constituents whose confidential tax returns are lying around in rooms with absolutely no security, and this is the minister's responsibility. Now may I ask him: can he confirm the reports emanating last might and this morning that the RCMP has been directed to investigate and hunt down the source of the information that led to the revelations by my colleague yesterday? Is that accurate? Has the RCMP been directed to hunt down that public servant?

Hon. A. C. Abbott (Minister of National Revenue and Minister of State (Small Business)): Mr. Speaker, the hon. member started his question by giving a selective list of those items that he says do not need to be on the returns when they are forwarded to Statistics Canada. That is perhaps his opinion. What other items he says do not need to be on the returns is another matter.

An hon. Member: What do you say?

Mr. Abbott: I simply repeat that the returns are sent to Statistics Canada in accordance with the act. Whether or not investigations have been ordered by the RCMP is not within my province to answer.

Mr. Jarvis: The forms are sent under conditions established by the governor in council. That is exactly the provision in section 23. But to get back to the RCMP investigation, if the minister really wants to be cutting, will he cut out right now the RCMP investigation into the source of the leak, and in its stead devote an equal number of RCMP man-hours to teaching his officials and Statistics Canada officials the very basics of security to protect confidential information?

Some hon. Members: Hear, hear!

Mr. Abbott: Well, Mr. Speaker, if I could cut out anything, it would be stupid questions like that.

Some hon. Members: Oh, oh!

Mr. Abbott: I made it clear to the hon. member that we guard the confidentiality of tax returns with real care. There is no question that Revenue Canada has disclosed any information concerning tax returns, and under no circumstances has Revenue Canada ordered the RCMP to do anything. So I suggest to the hon. member that if he wishes to ask questions concerning the management of Statistics Canada, he should ask the questions. I am telling him of the responsibilities I have under my departmental area.

* * *

● (1140)

[*Translation*]

AGRICULTURE

MARKETING BOARDS—GOVERNMENT POSITION ON INCREASE IN INDIVIDUAL QUOTAS

Mr. Claude Tessier (Compton): Mr. Speaker, could the minister of Agriculture tell the House to what extent government policy with regard to marketing boards could cease to serve its original purpose, namely to ensure the right to participate in national production and evolve into a commodity traded to the highest bidder, which will be reflected at the level of production costs and eventually be passed on to the consumer? My question is this: who is responsible for the increase in the price of those quotas? Could the minister

indicate whether he will take the necessary steps to remedy this situation which seriously distorts the aim of existing and future marketing boards, considering some producers will not be able to afford that security and consumers will have to foot the bill later on and what is worse, the future of these farms is in jeopardy as it becomes increasingly expensive to buy the right to produce.

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am sure the hon. member knows that the quota values are worked out and managed by provincial marketing boards under the jurisdiction of provincial authorities. We do have a provincial-federal committee studying quota values. I have deep concern about what is happening here, but there does not seem to be any great trend to do much about it.

I do not know what the report is going to bring in, but every province has a different system. I believe the province of Manitoba—if I could mention that province's name without somebody getting up on a question of privilege—has quota values in some instances, at least, for some products under marketing boards with no value in return to the marketing board but a redistribution to the people who need them, and the present government has not seen fit to change that.

* * *

ADMINISTRATION OF JUSTICE

REQUEST FOR INVESTIGATION OF CIRCUMSTANCES SURROUNDING PROSECUTION OF PETER TREU

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Minister of Supply and Services. I am pleased to be able to ask this question of him because as a member he was quite open. I hope he still is, in spite of having joined the cabinet.

My question has to do with the case of Peter Treu and the matter of compensation. Having in mind that this prosecution was only launched with a fiat of the Attorney General, which in turn was given on information provided to the Attorney General—and we have had some experience in this House, in the case referred to by the hon. member for Northumberland-Durham, of information placed before ministers by security forces—and having in mind that this particular investigation and prosecution was continued and carried on in a very virulent and savage way by security people attached at one time to his department, will the minister investigate the circumstances under which this investigation took place and the information which was placed before the Attorney General in respect of which the fiat was given for prosecution, and report to this House so we can consider the question of reasonable compensation for this man who has been very grievously wronged, in spite of what the Minister of Justice said?

Hon. Pierre De Bané (Minister of Supply and Services): Mr. Speaker, first of all, with regard to being open I am very happy that members of the official opposition have accepted my invitation to meet twice with senior officials in my department, in my absence, to ask them any question they wish about the department, because I think that if we cannot withstand the closest public scrutiny, that is not a mark of good management.

Some hon. Members: Hear, hear!

Mr. De Bané: Because the matter of classification of security clearance is within my department, I have asked my department to get in touch with the Department of Justice to review this practice. We know from this case that Mr. Treu lost his security clearance without even knowing about it. When we are asked in our department to check and give an opinion as to security clearance, we do so and we give that opinion only to the employer, but there is no standard of practice for the employer to advise someone that he has lost his security clearance, or what have you. As I say, I have already asked my department to get in touch with the Department of Justice to review this practice.

In essence, I am disturbed that when we are asked to give a security clearance in respect of someone, the results of that inquiry are not communicated to the person involved, and for that reason I should like to review the whole policy.

Some hon. Members: Hear, hear!

* * *

LOTO CANADA

PROVISIONS OF CONTRACTS LET IN LOTO SELECT PROGRAM

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I, too, have a question for the Minister of Supply and Services but it relates to the responsibility of his department in acting as consultant, and the loss of some $13 million on the abortive Loto Select program.

In the interests of open government, while the minister's department was advising Loto Canada in respect of contracts that it entered into, did his department also advise Loto Canada that it should include in those contracts cancellation clauses which would allow the government to get out of the contracts, if that was necessary, at a minimal cost to the people of Canada?

Hon. Pierre De Bané (Minister of Supply and Services): Mr. Speaker, my department acted as the contracting authority in some of the minor elements of the whole matter, for instance, concerning furniture, adverstisements, signs, etc. As the contracting authority, we made purchases on behalf of Loto Canada to the extent of about $500,000. We have managed, in about two months, to dispose of about 70 per cent of that at 100 per cent of the price we paid for it.

Some hon. Members: Hear, hear!

Mr. De Bané: As for the contracts signed by the Loto Canada corporation and not by us, we did lend someone from

our department to give advice on its operation, not on operation of DSS.

Mr. Beatty: Mr. Speaker, I appreciate the minister's anxiety to give us information. I want to get some clarification from him. In view of the fact that the president of Loto Canada indicated in a letter to the minister that it was Supply and Services that acted as consultant in the negotiation of these contracts, a fact which has been confirmed by the minister, I should like to ask the minister this specific question: Did officials of the minister's department advise Loto Canada to include in its contracts cancellation clauses which would allow the Government of Canada to escape from the provisions of those contracts at a minimal cost to the people of Canada?

Mr. De Bané: If I may, Mr. Speaker, I should like to take notice of that question because it is very precise. I would hope to be able to give my answer on Tuesday at the latest, as I will be absent on Monday.

What I can tell the hon. member is that my department did receive a letter from the president of Loto Canada thanking the department for the dedication of that single employee we did send and who worked, as the president said in the letter, "under extremely difficult conditions".

* * *

HEALTH AND WELFARE

CONTINUATION OF GRANT TO RAPE CRISIS CENTRES—ASSIGNMENT OF CHILD TAX CREDIT TO WINNIPEG HOUSING AUTHORITY TO MEET ARREARS IN RENT

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, if I may, I should like in one question to ask the Minister of National Health and Welfare whether she has followed through, as she said she would, in respect of two questions I put to her recently. On February 5, I asked her about the continuation of the grant to the National Assistor of Canadian Rape Crisis Centres. She said she would follow that personally. Has she done so?

On February 20, Mr. Speaker, I asked the Minister of National Health and Welfare if she would try to find some way to stop the practice of the Winnipeg Housing Authority of requiring housing tenants who are in arrears to assign their child tax credits even before they get them. Has she done anything further in respect of that matter?

● (1150)

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, on the first part of the question, I can report that I have looked into the request for funds by the Ottawa Rape Crisis Centre to my department. In fact, it is a request for two demonstration projects. One is a continuation of the three-year demonstration project and it is being studied by the department in the usual way, as I have said. I would remind hon. members, however, that there are very limited resources.

The other project is a new one which would lead to the creation of a national association of Rape Crisis Centres in the country. It, too, is being studied by the department and I hope to have the recommendations before the end of March. Let me just say that according to an early analysis of the project, it will be given high priority.

As to the other aspects of the problem of crisis centres like the ones which we are studying, the provincial governments can apply for assistance under CAP. There are two such centres which are already cost-shared under the CAP agreement. One is the coalition of British Columbia Rape Relief Centres and the other one is the Saskatoon Rape Crisis Centre. This is the direction which we will take for the future.

As to the Winnipeg Housing Authority and their interference in the tax system, perhaps I could ask my colleague, the Minister of National Revenue, to give the answer.

Hon. A. C. Abbott (Minister of National Revenue and Minister of State (Small Business)): Mr. Speaker, it is my understanding that an assignment of a federal tax refund is prohibited by the Financial Administration Act. My department will not honour such assignments: they will make the cheque out to the taxpayer and send it to the address given by the taxpayer. An official of my department has advised the Winnipeg Housing Authority of that fact.

* * *

PUBLIC SERVICE

STATUS OF INQUIRY INTO CLASSIFICATIONS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I would like to direct a question to the President of the Treasury Board. On December 19, I believe he indicated that he was looking very closely into the delegation to departments to classify. As I understand it now, that delegation has been withdrawn from at least the personnel officers, the economists and the administrators. Does that mean that the inquiry has been completed, or can we expect to hear from the minister with respect to further withdrawals; and if so, when?

Hon. Judd Buchanan (President of the Treasury Board): Mr. Speaker, it does not mean that it is completed but, on the other hand, it does not necessarily mean there will be further withdrawals. As I have indicated, we are examining the eight groups which we felt had the greatest shortcomings as far as classification was concerned. As the hon. member has indicated, we have withdrawn from three groups the classification delegation. That may not happen with the others, but it has not yet been completed.

Mr. Alexander: Mr. Speaker, as I understand it, the minister is giving very close study, is monitoring the situation and certain procedures have been set in place. One thing which the minister has not told us is the anticipated savings. Right now we are wasting some $50 million as a result of overclassification. Could he indicate to the House, now, what the anticipat-

ed savings are and the time-frame within which this will happen?

Has the minister any information in this regard, given the fact, once again, that with every passing moment we are wasting a good deal of the taxpayers' money.

Mr. Buchanan: Mr. Speaker, on previous occasions I have explained to the hon. member the situation on the positions that were overclassified: we would anticipate, approximately in a year hence, downgrading those positions, or earlier if the occupant moved out for some other reason. So the action is in fact in train right now to do a substantial amount toward removing these misclassifications.

I have made it quite clear to the hon. member, as well, that we are not happy with the degree of misclassification in the public service, but that it is not something which we can correct overnight. It will become an ongoing and regular part of our process to monitor the program of delegation extremely closely.

* * *

LOTO CANADA

REQUEST FOR TABLING OF LETTER FROM CORPORATION TO DSS

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I have a question for the Minister of Supply and Services relating to the questions asked by my colleague, the hon. member for Wellington-Grey-Dufferin-Waterloo.

The minister has referred to a letter which his department received from Loto Canada. Would the minister consider tabling that letter, since he has already referred to it? In giving his reply on Tuesday, if he cannot table the letter today would the minister be in a position to inform the House as to what were the "difficult circumstances"—I think I am quoting him correctly—which were referred to in the letter which apparently related to difficulties that one of his public servants had in the matter of a Loto Canada contract? If the minister could answer that question today, I would be grateful; but, if not, I would be quite prepared to wait until Tuesday.

Hon. Pierre De Bané (Minister of Supply and Services): Mr. Speaker, I do not see why I should have any reservations in tabling that letter.

With regard to the difficult circumstances, I understand that the corporation wanted, for reasons which are already public knowledge, to perform that procurement on an urgent basis, and we sent them that official from our department, who worked under very difficult conditions. I shall send a copy of that letter without delay.

[Mr. Alexander.]

IMMIGRATION

ADMISSION OF PROSTITUTES INTO CANADA—ALLEGED DIRECTIVE TO IMMIGRATION OFFICIALS

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is to the Minister of Employment and Immigration. It deals with a recent directive sent to all immigration offices in Canada by Mr. J. Hucker, director general of the minister's enforcement branch, which reads in part, "an officer must grant admission or allow all alleged or admitted prostitutes to remain in Canada." In other words, establishing an open-door policy for prostitutes from around the world into Canada.

I would like to ask the minister, firstly, if he is aware of this directive and, if so, could he provide this House with the bare facts behind this memorandum which at first glance seem to fall under the Minister of Transport's user-pay policy.

Hon. Bud Cullen (Minister of Employment and Immigration): Mr. Speaker, I have not had the hon. member's experience in being able to spot what is and what is not a prostitute, so I am at somewhat of a disadvantage there.

Some hon. Members: Oh, oh!

Mr. Cullen: The hon. member indicated to me that he would be posing a question today, and I thank him for that, but unfortunately he did not tell me what the subject matter would be.

An hon. Member: That is the kind of information you need.

Mr. Danson: It got laid aside.

Mr. Cullen: As my colleague, the minister of defence, has said, "It got laid aside." I will check into the particular memo, because I have a feeling that perhaps the hon. member is misinterpreting its intent.

Mr. Jelinek: Mr. Speaker, in view of the fact that law enforcement agencies in Canada generally support the view that prostitution and the evils surrounding it are not only immoral but tend to be surrounded by an atmosphere of crime, can the minister now assure this House that he will take every necessary step to advise his immigration officers around the country to disallow the entry into Canada of prostitutes, be they alleged, admitted or otherwise?

Mr. Cullen: Mr. Speaker, I do not know if the hon. member is suggesting that we should ask each woman or, for that matter, man who enters the country whether they are in fact a prostitute. I wish that the hon. member would have had the courtesy of letting me see the memo so that I could have checked it out to determine whether he in fact is giving the correct interpretation.

PARKS CANADA

FILM TO HAVE BEEN MADE AT FORT LANGLEY, B.C.

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development in his responsibility for parks.

Just over two months ago I asked one of the members of the minister's caucus to contact him to secure permission for a film producer to use the facilities of Fort Langley to shoot a film, at a cost of approximately $1.5 million. To this day the minister has not answered the member of his caucus, nor the film producer, with the result that this $1.5 million job has gone to the United States.

Is it the minister's policy to ignore a member of his own caucus the way he ignores us? In view of the fact that the Department of National Revenue would like to get rid of the policy of capital cost allowances to the film industry because it is too successful, is this the minister's way of co-operating with that impending policy of the Department of National Revenue?

Hon. James Hugh Faulkner (Minister of Indian Affairs and Northern Development): Mr. Speaker, I have in fact replied to the hon. member. He may not have had a chance to read the reply, but it is on his desk now.

* * *

● (1200)

SCIENCE AND TECHNOLOGY

PROGRAM FOR REGIONAL CENTRES OF EXCELLENCE—IMPLEMENTATION THEREOF

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, I have a question for the Minister of State for Science and Technology.

Last June, the minister announced the government's intention to develop important regional centres of excellence, and last July the province of New Brunswick made proposals for a centre of excellence at the University of New Brunswick that would lead to a forestry complex with an important stimulative effect on the whole forest industry. When will the minister indicate his response and explain the long delay in implementing this important program?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, this is a very important program and a very big one, too. The hon. member will realize the importance of the forest industry to the province of New Brunswick.

I can assure him that I am interested in trying to develop the kind of complex which I think might well serve the interests of the people of New Brunswick and the interests of Canadians. A week ago I had conversations with the Premier of New Brunswick with respect to such a complex. I hope it will be possible to make an announcement in the near future.

POINTS OF ORDER

MR. DANSON—FREE MAILING PRIVILEGES FOR ARMED FORCES—CLARIFICATION OF ANSWER

Hon. Barney Danson (Minister of National Defence): Mr. Speaker, I rise on a point of order. In answer to a question put by the hon. member for Pembina (Mr. Elzinga) the last time I was in the House, on February 21, I gave an answer which was technically accurate but which might not have been precise. It related to free mailing privileges for the armed forces. The Canadian government and the Department of National Defence do not provide free mailing privileges, as I indicated. I understand however, that the United Nations Emergency Force in the Middle East has free mailing privileges provided by the United Nations for five letters per week of up to one ounce each. My answer might have been somewhat misleading in light of the hon. member's question as I read it in *Hansard*.

I will pursue the matter of other United Nations forces having the same privileges, but each force has its own rules of procedure.

MR. BAKER (GRENVILLE-CARLETON)—REFERENCE OF ESTIMATES TO STANDING COMMITTEES

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I rise on a point of order in which I think the Acting Prime Minister will be interested. There was some indication from the government House leader yesterday that the government would introduce a motion today to refer the estimates to the appropriate standing committees so that we could get to the discussion of them. It does seem an unusually long time to leave the estimates in limbo before referring them, but I do not see the motion on the order paper. Is a particular minister going to do that today?

Miss MacDonald: They cannot find a minister today.

Hon. Donald C. Jamieson (Acting Prime Minister and Secretary of State for External Affairs): Mr. Speaker, I understand that the Minister of Employment and Immigration (Mr. Cullen) has the matter in hand. I want to advise the opposition House leader that unfortunately at the last moment the Deputy Prime Minister (Mr. MacEachen) was taken ill with a relapse of his very bad bout of influenza and is not able to be in the House.

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PRIVILEGE

MR. FRIESEN—REMARKS OF PARLIAMENTARY SECRETARY TO MINISTER OF INDUSTRY, TRADE AND COMMERCE

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, I had given you notice earlier this morning that I wished to raise a question of privilege relative to the language used last night by the Parliamentary Secretary to the Minister of Industry Trade and Commerce (Mr. Loiselle). I see that he is not in his place so I should like to reserve that point until he is here.

Gold Coins

MR. FRIESEN—LETTER FROM MINISTER OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT RESPECTING FILM CREW

Mr. Benno Friesen (Surrey-White Rock): The second point I would like to raise Mr. Speaker, is a question of privilege relative to the answer just given me by the Minister of Indian Affairs and Northern Development (Mr. Faulkner) that the letter he had written to me was already on my desk. I would point out there is no way that could be so because he did not know I had made that request. I suggest that the minister is misleading the House and I would leave it to him to decide whether it was deliberate or accidental. There was no way he could have known that I made a representation to a member of his caucus and so there was no way he could have written to me.

Hon. James Hugh Faulkner (Minister of Indian Affairs and Northern Development): Mr. Speaker, I hope I did not misunderstand the hon. member, but last week I signed a letter to him which dealt with a film crew going into a national park. I assumed that was the question he was raising—unless it had to do with another film crew and another national park. That letter was sent across to him last week, as my memory serves me, because I remember reading it carefully.

I can tell him now that the answer is negative. I am not entirely satisfied with the negative response and if he wants to pursue it with me later I will be pleased to do so, but I did send that letter last week.

ROUTINE PROCEEDINGS

[*Translation*]

ROYAL CANADIAN MINT

ANNOUNCEMENT OF MINTING OF GOLD BULLION COIN

Hon. Pierre De Bané (Minister of Supply and Services): Mr. Speaker, I am pleased to inform the House, on my behalf and on behalf of the President of the Board of Economic Development Ministers (Mr. Andras), of the government's decision to undertake a three-year program for the sale of gold bullion coins. This decision stems mainly if not exclusively from the request made to that effect by our Canadian gold mine operators. The gold mining industry, which is concentrated mainly in Ontario, Quebec and the Northwest Territories, employs 4,700 people. Canada, which is the third largest gold producer in the world, will thus be following in the footsteps of the two first producers, South Africa and the U.S.S.R., which are also selling gold bullion coins, and will be slightly ahead of the United States which will likely undertake a similar program next year.

To give an idea of the extent of this over a billion dollar program, at today's rate of exchange, need I only say that it will require, over the next three years, a total of five million ounces of gold, equal to the amount of gold extracted from Canadian mines in the last three years. It is our hope that this program, a first in the history of the Royal Canadian Mint, will be an incentive to our industry, as it has been indicated to me. It is certainly my most heartfelt wish.

In other words, my dear colleagues, the government's sole interest in the sale of such gold bullion coins, is to help our gold mines. Accordingly, during this three-year trial period, the five million ounces of pure gold will be supplied exclusively by our Canadian gold mines or from government reserves. Also, to limit and even preclude any risk of deficit, the government has decided to give the Royal Canadian Mint total and exclusive responsibility over all aspects of this gold bullion coin program, both in Canada and abroad.

[*English*]

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, at the outset of my brief remarks I want to thank the minister for his courtesy in making available to me and my colleague, the hon. member for York-Simcoe (Mr. Stevens), an advance copy of the text of his remarks and also a copy of the press release.

If I can be forgiven for digressing slightly, Mr. Speaker, I should like to say that both in question period today and in his general conduct since assuming this portfolio the minister has indicated a conscious desire—which is perhaps conspicuously in conflict with the attitude of a number of his colleagues—to share with parliament information about the activities of his department and to allow parliament an opportunity to have input into his department's activities. On behalf of my colleagues, I should like to indicate our appreciation of his willingness to give us that opportunity.

Some hon. Members: Hear, hear!

Mr. Beatty: The minister's statement and the press release contain the bare bones of the policy he has announced today. We will want more information about the specific policy, such as the timing of the introduction of the coins, the distribution system and various other mechanisms which will be put in place, but I want to indicate this party's general support for the policy.

Progressive Conservative members of the Standing Committee on Finance, Trade and Economic Affairs helped expedite passage of the legislation which set up the mechanism for the issuance of these gold coins. We also urged the government to expedite the sale of the coins, and if our advice had been followed they would be on sale now. Progressive Conservative members of the committee proposed amendments for greater controls on the program and for better reporting to parliament about the activities of the Mint in this regard.

In his statement the minister suggested that the sale of these coins will be a shot in the arm for the gold mining industry in Canada. On this side we sincerely hope that is the case, because at a time when one million Canadians are unemployed and the economy is sluggish we strongly support any action by this government to get the economy back on the rails.

It is clear from the experience of South Africa, with their equivalent of this coin, that the program can work well. Although we would want to follow the introduction of the coin and the marketing of it closely, in summary we think basically it is a good idea. We will be looking forward to receiving more information from the minister as to exactly what the government's activities will be in this area.

• (1210)

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I would like to congratulate the minister for making this information available to hon. members. I would also like to congratulate him on his manner of handling questions in the House. May I add that I have appreciated the work done by the minister's predecessor in this field, Mr. Goyer. I know that Mr. Goyer and the present Minister of Supply and Services (Mr. De Bané) have stood pretty well alone in their department by giving approval to this type of assistance to the gold mining industry. The department did not want to get involved in the area and its representatives said so at the committee hearings. They set up a number of roadblocks, but I am pleased to see that the government has decided to go ahead in any event.

As the minister has said, this is a billion dollar market. When the Americans put gold bullion on the market, hundreds of thousands of bids were made, far surpassing the amount of gold which was made available. The program has turned out to be a hedge against oil price inflation and inflation in general. It is also a hedge against bankruptcies in the business world and against bank bankruptcies, which are a fact of life in various countries around the world. For that reason gold bullion coins which are backed by the Mint, sold by the Mint and handled by the Mint will assure buyers around the world that they are getting exactly what they are paying for. This will enable buyers to trade these coins without any question as to value.

Some resentment was felt by people buying Kruger rands because of South Africa's policy. The Canadian coin overcomes one difficulty in that we are making it a coin of the realm. Certainly the $50 face value has no relationship to the purchase price because to buy this coin at today's market price cost Canadians $300. So it is not what you call a face value coin; it is a coin of the realm. The Kruger rand is not.

From the 23 lode mines in Canada in 1977 only about 1,717,000 ounces of gold were produced. To produce this gold the employment of about 5,000 miners in those 23 gold mines was needed. These mines produce an export value for Canada of about $239 million. If Canada enters this field where we are producing only 1.7 million ounces of gold per year, production must increase if we are to meet the requirements; otherwise, any shortfall will have to be made up from the reserves in our treasury.

I hope, along with other members of the House, that the government will assist the gold mining industry to find a ready market, a market that is available to the small producers as well as the large ones who do not have a marketing agency of their own. In effect the government through the Mint is going to act as the international agent for the distribution of much of our newly produced gold.

Along with other forms of assistance that the government can provide and is providing to places like Kirkland Lake, where a grant has been made available for surveys in the amount of $2.5. million, I hope that instead of only 5,000 miners in the gold mining industry next year, perhaps we will see 7,000 or 8,000. It seems to me that we will be producing more than the two million ounces which the minister has agreed to produce in the two years following this year.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, first I would like to join with two of my colleagues in the opposition in thanking the hon. Minister of Supply and Services (Mr. De Bané) for providing us with a copy of his statement early enough for at least a cursory study of it. I would also like to congratulate him for the straightforward manner in which he attempted to give us the information we wanted. We have experienced it once again today, and it speaks well for him.

Mr. Speaker, that decision of the hon. minister to promote the production of gold bars is intended, according to what he said, to help gold mines in the Northwest Territories. Gold mines are mostly in Quebec and Ontario. I come from a gold producing area. Some produce gold mines only and others only marginally but they still produce some.

Now, I remember, Mr. Speaker, that no more than ten years ago when the price of gold was set at $35 an ounce, the government had to subsidize gold mines to enable them to produce and provide some jobs to miners and today, when the price of gold has risen to almost $246 an ounce, we have to help them in another way by producing gold ingots worth $50 and selling them to the public. Such system, Mr. Speaker, is no doubt better than direct subsidies, because it will enable those who want to make secure investments to buy those gold ingots which could hardly depreciate in view of the price at which they are marketed.

It remains, Mr. Speaker, that the production of a new gold coin in Canada is undertaken at a time where the government is experiencing some hardship. It has just been announced that the government has incurred a deficit of some $6 million for the production of the one cent copper coin. Now, Mr. Speaker, all kinds of devices have been used to try to make up that deficit. They thought they could reduce the size of the one cent coin, but they soon realized that there would be some problems with vending machines when that lighter one cent coin would be substituted for a dime. They also thought that a hole could be bored in the centre of that one cent coin. But since there were obviously so many holes in our monetary system they did not dare make fools of themselves with that method. The fact is that they have failed to find a solution and that our coin production shows a deficit. Mr. Speaker, I hope the production of that gold bullion coin which will sell for $50 will not show a deficit.

The minister says that in order to avoid this, the government gave the Royal Mint the total and exclusive responsibility for every aspect of that program. If there is any risk of running into a deficit in this case, I do not think it could be avoided by giving such a responsibility to the Royal Mint. Well, I think, Mr. Speaker, that on the whole it is a good decision because it will first of all enable our gold mines to survive, and our miners to find stable and paying jobs, and also because it will make it possible for Canadians to invest money in that form of investment which seems fairly sound.

● (1220)

[*English*]

Mr. Beatty: Mr. Speaker, as I indicated to the minister in my brief remarks, the statement which was read by him today and the accompanying press release contained only the bare bones of the proposal being made by the government. I would like to ask him, specifically with regard to the distribution system that will be followed, what sort of marketing system will be used? Does the minister intend to have the Mint serve as a retailer of coins and sell directly to individuals or sell through wholesalers? If he intends to sell through wholesalers, what method will be used to select the wholesalers?

[*Translation*]

Mr. De Bané: That, Mr. Speaker, is a very important and sensitive question. For the time being, I can tell the hon. member that it will be the responsibility of the board of directors of the Royal Mint. Since the government's decision has just been taken, the board of directors has not yet reached a final decision as to the course to be followed. However, according to my preliminary discussions with the president of the Royal Mint, it seems that the marketing methods used by South Africa, which, of course, is a much bigger producer than Canada, will be followed rather closely. South Africa issues some eight million gold coins every year. As for us, we will issue some two million.

Apparently, various aspects will have to be considered. Firstly, the dealer should already be in the gold business, he should be able not only to sell gold, but also to buy it back from investors wishing to sell it, and should meet other criteria which will be defined by the Royal Mint.

So, the various details pertaining to distribution have not yet been worked out by the Royal Canadian Mint whose responsibility it will be. What we know for sure is that huge amounts of money will be involved, over a billion dollars, and that profits will be almost non-existent for the Mint; in other words, on the one hand very little profit is expected, while on the other hand, the risk involved is pretty high. That is why the Royal Mint has agreed to implement this program provided it is given the sole responsibility for it, from A to Z. Let us not forget that the price of the coin will vary on a daily basis, depending on gold market prices. Already, in the two major nations involved in this field, the U.S.S.R. and South Africa, there is in operation a system of sales to the wholesalers, which we cannot change, and which is based on the day to day price of gold plus three per cent.

Therefore, it is with that 3 per cent that the Royal Mint will have to defray all its costs and also the current price of gold plus 3 per cent charged to the wholesaler. So the Mint cannot afford to make any mistake, otherwise we would incur tremendous losses.

[*English*]

Mr. Beatty: Mr. Speaker, the minister alluded to the situation where similar coins are being marketed by the Soviet Union and South Africa. Although I was not a member of the committee at the time, my colleagues inform me that when the officials came before the standing committee, they were unclear. They had few details as to the marketing of the South Africa Kruger rand. Since the systematic study done following the hearings held by the committee, has the minister been able to come up with more information about the marketing policies of the Kruger rand and whether sales are in fact taking place?

With regard to any marketing studies that have been done by the Canadian Mint, what does the minister consider to be the breakdown of domestic sales versus international sales? Does he expect that the vast majority of these coins will be sold in the United States? What percentage does he expect will be sold domestically and what percentage does he expect will be sold in the rest of the world? Also, the minister indicated that he expects that a million will be sold this year and two million per year in 1980 and 1981. What marketing studies have been made to determine that those markets are in fact there?

Mr. De Bané: Mr. Speaker, in the first instance, since the decision of the cabinet was taken a few days ago the Royal Mint sent two high ranking civil servants to South Africa to meet with the people in charge of the program in that country. South Africa, which is by far the largest exporter of gold, has only 16 distributors throughout the world. This distribution is done through the largest banks, those that are in the gold business.

As to the second question, we expect to sell about 10 per cent of the gold bullion coins in Canada and the rest throughout the world, essentially in West Germany and the United States. I do not have the authority to give formal instruction to the board of the Royal Mint. However, they are convinced they will not be able to meet the demand. If that is so, I have asked them to ensure that we serve those Canadians who would like to invest in pure gold before selling abroad. However, I understand that traditionally those who are interested in investing in gold are essentially the West Germans and the Americans. I might point out that the United States secretary of the treasury has already announced that that country will be proceeding on a bigger scale than us in the next year.

Mr. Peters: How does the Mint intend to purchase from the mines? Second, the minister may find that there is an immense market for this production. If that market develops, does he intend to have the mines supply the newly minted gold?

Mr. De Bané: Yes, Mr. Speaker. I have received letters from different gold mining companies assuring me that they will be selling to the Royal Mint. I will not read them all. However, I might read a portion of the letter I received from John L. Bonus, managing director of the Mining Association of Canada. I quote:

> The association will now proceed to approach all Canadian gold producers alerting them to the nature and requirements of this program and suggesting that they make available to the government as much of their production as possible for this purpose.

If by chance something should happen in that regard, I have an agreement with the Department of Finance that they are prepared for the first three years to supply out of their reserves of 22 million ounces a maximum of five million ounces. I might point out that I have no interest in the program unless it is to produce gold bullion coins from gold which comes from our gold mining industry. I do not think there is any interest in doing this with gold from foreign mines.

● (1230)

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, the minister has read from a letter from an officer of the Mining Association of Canada. I wonder if he would care to table that letter now.

Mr. De Bané: Agreed, Mr. Speaker.

[*Translation*]

Mr. Deputy Speaker: Order. Is leave granted to the minister to table the letter he referred to?

Some hon. Members: Agreed.

[*English*]

Mr. Stevens: Mr. Speaker, if my understanding is correct, the person writing that letter in effect said, "We will now deliver gold to the Mint". I believe the minister is indicating that that is correct. Was the Mining Association or any member companies of the Mining Association advised of the minister's announcement previous to his making it in this House? The letter appears to indicate that the person writing it had knowledge of the minister's announcement today. The letter in effect says, "We will now deliver gold to the Canadian Mint". Would the minister confirm whether member companies of the Mining Association or the Mining Association itself were advised of the minister's announcement today previous to his making the announcement?

Mr. De Bané: In no way, shape or form, Mr. Speaker. When I was appointed minister of my department, I was told about this matter. I told my officials that I would have no interest in such a program unless it were desired by the gold mining industry. I said that I would not pursue the matter in cabinet unless I had the assurance that it was according to the wishes of the gold mining industry. I received that letter in January, and I proposed this program to the cabinet only a few days ago.

However, before taking this matter to the cabinet, I wanted to have letters from the mining industry to be sure that this is really what it wanted, because it is my belief that whatever the bureaucracy thinks, if the private sector has ideas which are not contrary to the common good, we should listen, especially if no cost to the treasury is involved.

Mr. Stevens: Perhaps we will deal with the letter later. I should like to shift to another line of questioning. In the minister's announcement he indicated that the five million ounces of fine gold required over the three-year trial period will be drawn exclusively from Canadian gold mines or from Crown reserves, meaning foreign exchange reserves. As this matter has been the subject of quite a lot of debate in this House—the question of gold reserves in relation to our foreign exchange—would the minister indicate whether a commitment has been made by the Minister of Finance (Mr. Chrétien) or by the Bank of Canada that they will supply gold from the foreign exchange reserve fund? If that commitment has been made, to what extent are they willing to sell part of the reserve, and at what price will that gold be sold?

Mr. De Bané: Mr. Speaker, as I told the House, the *raison d'être* for the program is to help the gold mining industry. The gold mining industry made representations to me, but I must also consider what would happen if industry were to lose its traditional customers. As I said, I object to gold coming from foreign mines, so for the three-year trial period—and this program is only for three years—I have the firm commitment of the Department of Finance that for the entire program of five million ounces it is prepared to sell us that maximum of five million ounces from its own reserves.

Of course, I do not think we will need to buy gold from other than our own Canadian mining industry, but so that we can be sure of supply, we can buy gold from Crown reserves. At what price? The price will be the going price on the day of sale. I do not remember if the price is to be wholesale or retail; I think it is to be retail. Whether we buy from the mining industry, the Bank of Canada or the Department of Finance, the mechanics will be the same. The seller of the gold will earn about 0.5 per cent of the value of the gold, not the usual 8 per cent, 9 per cent, 10 per cent or whatever interest rates are current.

The seller will be paid on a retail basis. I am told that this is the way it is done in the gold trade. The procedure will be exactly the same regardless whether the gold comes from the gold mining industry or from the Bank of Canada. This is why I can assure the House that if, because of the requirement of working capital, more than $1 billion is required, special financing for this program will not be needed by the Mint. However, there is a danger because gold is sold at its value plus 3 per cent. This is the way it is done with South Africa, and we have to work under that system. As long as gold is valued as it is today, at $249 plus 3 per cent, the cost of selling will be $7 or $8. That amount covers expenses and a small

profit. However, if the price goes down to $150 plus 3 per cent, the industry will be losing money. I assume that if ever that happens the program will be stopped, because unlike the numismatic program under which we know in advance that we will sell at a certain price with a large profit margin, we are dealing here with the daily price plus 3 per cent.

Mr. Stevens: Is the commitment the minister has received from the Minister of Finance an unlimited commitment? If for some reason Canadian producers are unable to supply enough gold for the minting of these gold maple leaf coins, would the Bank of Canada be willing to sell its entire reserve of gold? Is it a total commitment with no limitation?

Second, why has only one coin been chosen? The Mining Association recommended that there be a one ounce coin and a half ounce coin. As the minister probably knows, it is expected that in the United States there will be four gold coins minted, and they might compete against our one ounce coin.

Mr. De Bané: Mr. Speaker, we have a commitment for five million ounces for the entire program, if that much is needed. I am not in a position today to answer the second part of the question.

• (1240)

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, maybe I am a little uneasy when looking at a picture of that gold coin, but it is engraved on the coin: 50 dollars, 1979. The press release says that the gold coin will have a face value of $50 and the price will be the current market price for gold, plus a charge for transfer, coining and delivery costs. Is it possible to engrave 50 dollars on the coin if it is sold at the market price?

Mr. De Bané: Mr. Speaker, I had exactly the same reaction when I saw that coin, but here are the reasons: first of all, that is the definition of the Department of Finance, since the Government of Canada is per se the final guarantor of the coin; second, according to all experts consulted throughout the world, a gold investor is not concerned about the amount engraved. The best example is that South Africa as well as the United States do not issue gold coins but one ounce medallions. There is absolutely nothing engraved on it and it is not currency. So, for gold investors, this does not matter at all and the Department of Finance, for very complex reasons, has decided that 50 dollars would be written on it.

Mr. Beaudoin: Mr. Speaker, I appreciate the minister's answer. Since the Minister of Finance has decided to determine a face value for very complex reasons, would it not be to attract potential buyers who are not used to buying metal in bulk?

Mr. De Bané: No, it seems it is a matter of money supply and other considerations, especially because all gold dealers we have consulted, the Deutsch Bank, the Dresden Bank and others, have told us: A gold buyer does not care what is written on it; that is immaterial.

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I have two brief questions for the Minister of Supply and Services. Does the minister believe there will be a larger market for gold coins than for fine gold?

[*English*]

Mr. De Bané: Is the hon. member asking me about medallions or coins in gold? Actually, there are two systems, the Kruger rand of South Africa and the U.S. medallion. We will have coins in gold. The investor who wants to buy pure gold will not be, as I was told, influenced by whether it is a coin or whether it is a medallion because what he wants primarily is that it be pure gold, and that is what we will have.

[*Translation*]

Mr. Clarke: I would like to ask, Mr. Speaker, why would the government want to make a gold coin instead of letting private industry make a medal, for example?

Mr. De Bané: Mr. Speaker, we are doing so at the request of the Canadian gold mining industry which thinks it would be more prestigious if those gold coins were legal tender money in Canada. As, for very obvious political reasons, a lot of people do not want to buy the coins put out by the two largest producers, South Africa and the U.S.S.R., because of Canada's image, all the specialists we consulted tell us that demand for Canadian gold bullion coins will be excessively strong.

[*English*]

Mr. Clarke: Mr. Speaker, I understand from the letter to the minister that the gold mining industry was given the information that the program was approved over a month ago. I see the minister is shaking his head, so I will let him respond.

Mr. De Bané: When I was faced with that proposal, I told my officials that I would not take this matter to the cabinet before obtaining the opinion of private industry. My rationale in supporting the program is whether it will help the gold mining industry of Canada. So I wanted to know, first, what the industry thought about it.

I received in January the letter to which the hon. member referred and I tabled it a few minutes ago. In it I was told that the Mining Association supports such a program. It was only then that I decided to go to cabinet, which I did just a few days ago. That letter was one of the main elements of my decision to support the program, my philosophy being that when private industry asks us for something which is not contrary to the common good, and when we can manage to do it without incurring supplementary expenditures, we should listen to them and do it.

Mr. Clarke: I am referring now directly to the letter written by the managing director of the Mining Association of Canada. Does the minister not think that the phrase—

—chairman of the gold committee of the Mining Association of Canada, has informed the executive committee of the board of directors of the association that the interdepartmental committee studying the proposed gold bullion coin program has concluded its assessment on a positive note.

—informs the industry that the program will go ahead?

Mr. De Bané: That was done on my instructions. I told the officials of several departments that I was not ready to bring that project to the government for its consideration unless I had the assurance that it would benefit and be to the liking of the industry, and I wanted the officials to meet with the industry and bring me back their reactions. I wanted to know exactly what the industry thinks about the program before going further, because, as I said, there is no point in having such a program if it is not to the liking of the gold mining industry of Canada. The risks are enormous and the benefits are almost nonexistent.

The working capital for such a program, at today's price, would be over $1.25 billion, and if the Mint could manage to make $1 million or $2 million in profit, that would be great. The risk of loss is enormous. The only reason I am undertaking such a program is that the industry have asked for it and I agreed with their reasons. But let me point out again that I brought the matter to the cabinet just a few days ago.

[*Translation*]

Mr. Ian Watson (Laprairie): Mr. Speaker, I would like to congratulate the minister and his department for the initiative he just took. Advisers seem to be saying that demand will come mainly from gold investors, and I believe that is true, but in view of the price I also believe that there is going to be rather considerable demand for that money as a piece of jewelry or a Christmas gift and so on. So I ask this. I just received from my colleague a picture of the coin in question and it seems to me the reverse with the maple leaf looks a little too commercial—fine gold one ounce. That looks commercial and I am wondering whether it would not be preferable to have only a maple leaf instead of that writing which does look commercial. It is a suggestion.

Mr. De Bané: Not being an expert, Mr. Speaker, I would of course be happy to convey the learned observations and technique preferences of the hon. member to the board of directors fo the Royal Canadian Mint.

Mr. Deputy Speaker: This concludes the questions to the Minister of Supply and Services.

* * *

[*English*]

MAIN ESTIMATES, 1979-80

REFERENCE OF ITEMS TO STANDING COMMITTEES

Hon. Bud Cullen (Minister of Employment and Immigration): Mr. Speaker, I wish to move a motion pursuant to Standing Orders 58(14) and 59. I might say at the outset that the motion is rather lengthy. It refers the estimates to several standing committees. Copies of the motion have been distributed to hon. members opposite and I believe there is an agreement that it will not be necessary to read the whole motion. If there is consent, could we take it as read, Mr. Speaker?

● (1250)

Mr. Deputy Speaker: Is it agreed that the motion of the minister be taken as read?

Mr. Knowles (Winnipeg North Centre): And printed.

Some hon. Members: Agreed.

[*Editor's Note: The motion is the following:*]

That the Estimates, 1979-80, tabled Monday, February 19, 1979, be referred to the several Standing Committees of the House as follows:

To the Standing Committee on Agriculture:

Agriculture votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45 and 50

To the Standing Committee on Broadcasting, Films and Assistance to the Arts:

Communications votes 1, 5, 10 and 15

Secretary of State votes 1, 5, 10, 15, 20, L25, 30, 35, 40, 45, 50, 55, 60, 65, 70, 75, L80, 85, 90, 95, 100, 110 and 115

To the Standing Committee on External Affairs and National Defence:

External Affairs votes 1, 5, 10, L15, 20, 25, 30, L35, L40, 45 and 50

National Defence votes 1, 5, 10 and 15

To the Standing Committee on Finance, Trade and Economic Affairs:

Economic Development vote 1

Finance votes 1, 5, 10, 15, 20, 30 and 35

Industry, Trade and Commerce votes 1, 5, 10, 15, 20, 25, L30, L35, L40, 45, 50, 55, 60, 65, 70, 75 and 80

National Revenue votes 1, 5 and 10

Privy Council vote 20

To the Standing Committee on Fisheries and Forestry:

Environment votes 1, 5, 10, 15, 20, 25 and 30

To the Standing Committee on Health, Welfare and Social Affairs:

Consumer and Corporate Affairs votes 1 and 5

National Health and Welfare votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45 and 50

Public Works votes 45, 50, L55 and L60

To the Standing Committee on Indian Affairs and Northern Development:

Indian Affairs and Northern Development votes 1, 5, 10, 15, L20, 25, 30, 35, L40, L45, 50, 55, 60, 65, L75 and L80

To the Standing Committee on Justice and Legal Affairs:

Justice votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45 and 50

Solicitor General votes 1, 5, 10, 15, 20, 25 and L30

To the Standing Committee on Labour, Manpower and Immigration:

Employment and Immigration votes 1, 5, 10, 15, 20, 25 and 30

Labour votes 1, 5, 10 and 15

To the Standing Committee on Management and Members' Services:

Parliament votes 5 and 10

To the Standing Committee on Miscellaneous Estimates:

Finance vote 25

Governor General and Lieutenant Governors vote 1

Parliament vote 1

Privy Council votes 1, 5, 15 and 30

Science and Technology votes 1, 5, 10, 15, 20, 25, 30 and 35

Secretary of State vote 105

Supply and Services votes 1, 5, L10 and 15

Treasury Board votes 1, 5, 10, 15, 20, 25 and 30

Order Paper Questions

To the Standing Committee on National Resources and Public Works:

Energy, Mines and Resources votes 1, 5, 10, 15, 20, 25, 30, L35, 40, 45, 50, 55, 60, 65, L70, L75, L80, L85 and 90

Public Works votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 65, 70, L75, 80 and 85

To the Standing Committee on Northern Pipelines:

Privy Council vote 25

To the Standing Committee on Privileges and Elections:

Privy Council vote 10

To the Standing Committee on Regional Development:

Regional Economic Expansion votes 1, 5, 10, L15, L20, 25 and 30

To the Standing Committee on Transport and Communications:

Post Office votes 1 and 5

Transport votes 1, 5, 10, 15, 20, 25, 30, 35, 40, L45, L50, L55, 60, 65, L75, 80, 85, 90, 95, 100, 105, L110, L115, 120, 125 and 130

To the Standing Committee on Veterans Affairs:

Veterans Affairs votes 1, 5, 10, 15, 20, 25 and 30

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

Some hon. Members: Agreed.

Motion agreed to.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Roger Young (Parliamentary Secretary to Solicitor General): Mr. Speaker, the following questions will be answered today: 32, 776, 1,037, 1,038, 1,039 and 1,117.

[*Text*]

PROFESSIONAL SERVICES

Question No. 32—**Mr. Orlikow:**

1. For the fiscal year 1976-77, what contracts for professional services were let for studies, surveys and analyses into (a) present or future policies, programmes or information analysis and their efficiency and effectiveness (b) the examination of the administration or internal operation of the Prime Minister's Office?

2. How much was committed on each contract and to whom?

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): 1. (a) None. (b) None.

2. Not applicable.

POLICY ON USE OF VEHICLES

Question No. 776—**Mr. Mazankowski:**

1. Does the government have a policy on the use of government and armed services vehicles for personal or recreational use and, if so, what is it?

2. (a) With which department or armed service base is the car with Canada licence 19214 registered (b) is this vehicle assigned to one person and (i) if so, to whom (ii) if not, what procedures are followed for controlling use of the vehicle?

3. Was this vehicle signed out on October 13, 1978 and, if so, to whom and for what reason?

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): I am informed by the Departments of Supply and Services and National Defence as follows:

1. Yes. The policy on personal use of government motor vehicles is detailed in the publication entitled "Policy and Standards on Motor Vehicles", issued under Treasury Board circular 1976-27.

Significant policy points are as follows:

(a) Use of a government vehicle for essential private purposes may be authorized if tied in with government business or in remote areas.

(b) If in the interest of the government, limited private use may be authorized, normally for such purposes as economy of safe custody.

(c) Exceptional private use of a government vehicle must be authorized in writing by the minister or deputy head of the department or agency involved.

The use of armed services vehicles in support of authorized recreational activities is also permitted.

2. (a) Canadian Forces Base Penhold.

(b) No.

(i) Not applicable.

(ii) Its use is controlled by the base transport officer.

3. Yes. The vehicle was signed out to 743 communication squadron, CFB Penhold who were participating in exercise Pen North XI in the Valleyfield, Alberta area. The vehicle during the day in question was despatched to Valleyfield, Alberta for a supply run.

PRIVY COUNCIL OFFICE

Question No. 1,037—**Mr. Cossitt:**

What was the entire cost of maintaining all aspects of the Privy Council Office for each of the past six years and what was the total cost for these years?

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): The information requested is available in the Public Accounts of Canada.

FEDERAL-PROVINCIAL RELATIONS OFFICE

Question No. 1,038—**Mr. Cossitt:**

What was the entire cost of maintaining all aspects of the Federal-Provincial Relations Office from the date it came into existence?

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): The information requested is available in the Public Accounts of Canada.

PRIME MINISTER'S OFFICE

Question No. 1,039—**Mr. Cossitt:**

What was the entire cost of maintaining all aspects of the Prime Minister's Office for each of the past six years and what was the total cost for these years?

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): The information requested is available in the Public Accounts of Canada.

CIDA—AID TO ALGERIA

Question No. 1,117—**Mr. Roche:**

Did CIDA recently sign an aid agreement with Algeria and, if so (a) in what amount (b) for what projects (c) with what kind of control and monitoring of the expenditure?

Mr. Louis Duclos (Parliamentary Secretary to Secretary of State for External Affairs): No.

[*English*]

Mr. Young: Mr. Speaker, I would ask that the remaining questions be allowed to stand.

Mr. Deputy Speaker: The questions enumerated by the hon. parliamentary secretary have been answered today. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

* * *

POINT OF ORDER

MR. WHITEWAY—DELAY IN ANSWERING QUESTION NO. 580

Mr. Dean Whiteway (Selkirk): Mr. Speaker, I want to bring to the attention of the House and to the attention of the appropriate minister the fact that question No. 580, standing on the order paper in my name since November 16, has yet to be answered. I raised this matter two weeks ago and the answer I received from the parliamentary secretary on February 9 as reported at page 3071 of *Hansard,* is as follows:

Mr. Speaker, I believe that it is not true that the minister will not allow this question to be answered. The question will be answered correctly, but it is not quite as simple as the hon. member indicates.

Then he said, and this is the operative part:

I will look into the matter to make sure that the question is answered.

I then asked him "when", to which he did not reply. The government has still not said when it will answer, as indicated by the fact that it has yet to answer question No. 580.

My question is one of some importance in that it has to do with the unity information office. On November 10, 1978, the then minister of federal-provincial relations answered a question in the House, and that answer is to be found at page 1011 of *Hansard* for that date. It relates in part to the same information. My question is simply supplementary to that question, but requires more detail. I would like to know why it is that the minister could give that answer, yet some three months later has failed to answer the detailed question I have on the order paper.

I just wanted to bring to the attention of the government that this important question relating to the cost and the number of periodicals or publications of that propaganda office, more commonly known as the unity information office, has not been answered and the Canadian people still do not have that information regarding the expenditures of the government for its own propaganda purposes.

Mr. Paproski: There is nobody there to answer.

Mr. Deputy Speaker: There does not seem to be any comment. I would take it that the hon. member has made his point or grievance which eventually will be noted.

GOVERNMENT ORDERS

[*English*]

NATIONAL HOUSING ACT

MEASURE TO AMEND

The House resumed from Wednesday, February 21, consideration of the motion of Mr. Ouellet that Bill C-29, to amend the National Housing Act and the Central Mortgage and Housing Corporation Act and to make other related amendments, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Hon. André Ouellet (Minister of Public Works and Minister of State for Urban Affairs): Mr. Speaker, when I was interrupted the other day at six o'clock I was explaining that Canadians, by any standard, are among the best housed people in the world, and that this was not only conjecture, it was the fact. This fact has been confirmed recently, as I was explaining to the House, by a Gallup poll taken across Canada last October. It showed that more than 85 per cent of Canadians were satisfied with their housing. Even in the Atlantic region where economic problems are more severe, more than 78 per cent of the people indicated satisfaction with their housing. The question asked of Canadians at the time was: "Are you satisfied, dissatisfied, or have no opinion about your housing situation?"

It was very interesting to note that this satisfactory response was given consistently by people of all ages, of all economic groups and in all parts of the country. Without question, the majority of Canadians are satisfied with their housing.

It is particularly reassuring, as I was indicating in my earlier remarks, that the degree of satisfaction has grown during the course of the last ten years. When a similar Gallup poll was conducted ten years ago the degree of satisfaction was only around 60 per cent and it is now over 85 per cent. The degree of dissatisfaction expressed at that time was 34 per cent, and this has now declined to 13 per cent.

[*Translation*]

One of the main reasons why people are satisfied with their housing is that an ever increasing proportion of this production consists of good quality housing of relatively small size which middle income families can afford. With our Assisted Home

Ownership Program and our rental housing program, we have managed during the last few years to decrease the production of highly priced homes and to increase that of accommodation which meets the need of the average Canadian family. From the inception of those two programs, from 1973 to 1977, 240,000 good units have been built at reasonable prices. The success of those programs not only helped a quarter of a million families to get good housing but also helped stabilize the prices of new and older dwellings. In fact, in 1977, the price of new housing units increased by 3.3 per cent only while the personal available income increased by almost 9 per cent.

Not only did we produce a larger number of housing units, Mr. Speaker, but we also improved on the quality of these units. Whereas in the early 1950s, 52 per cent of homes did not have central heating or electricity, this percentage has now fallen to less than 10 per cent. The percentage of homes without running water, hot or cold, was 43 per cent of all existing homes 25 years ago and is now down to 4 per cent only. The situation keeps on improving rapidly. Meanwhile, through our rehabilitation program, we have spent some $225 million to repair more that 50,000 units located in urban and rural areas, in order that they meet acceptable sanitary and security standards and that their usefulness be extended for another 15 years.

All those policies have been launched, needless to say by officials of the Central Mortgage and Housing Corporation. Obviously these directives come from the management of the Central Mortgage and Housing Corporation.

Before the House takes recess for one hour, I would like to draw the attention of the House and of Mr. Speaker to the presence in the gallery of the Speaker of the five members of the private sector who sit on the board of directors of the Central Mortgage and Housing Corporation: Mr. McGloan, a lawyer from Saint John, New Brunswick; Mr. Jacques Plante, a businessman from Quebec city; Mr. Conrad Pinette, a businessman from Williams Lake, British Columbia; and, a noticeable fact of which I am proud, two most competent ladies: Mrs. Christine McKee, an urbanist at the University of Winnipeg and Mrs. Sylvia Sutherland, a journalist and member of civil organizations in Peterborough, Ontario.

Mr. Deputy Speaker: If I did not interrupt the minister it is certainly not because he was not out of order. It will be understood that hon. members who rise in the House cannot be permitted to identify people sitting in the galleries; this is allowed only in special cases for official government representatives. In any case, it being one o'clock, I do now leave the Chair until 2 p.m.

At one o'clock the House took recess.

• (1400)

AFTER RECESS

The House resumed at 2 p.m.

Mr. Ouellet: Mr. Speaker, this is my third contribution in this debate in support of the bill before this House. Obviously, our rules do not allow a member to speak three times at the same stages of a debate, but the public and the members of this House will understand that, on the two previous occasions, I have been interrupted by the adjournment of the House.

When we adjourned at lunch time, Mr. Speaker, I was referring to the many reasons why 85 per cent of Canadians are satisfied with housing policies in Canada. This morning, I explained with a series of figures, the reasons why they are satisfied and those figures show outstanding progress as concerns the building of housing units for low-wage earners and senior citizens who need adequate housing.

Mr. Speaker, the figures I quoted this morning are important because they give the exact picture of the housing situation in Canada. They clearly show, I think, that in most cases, Canadians are living in relatively high quality housing. I am not suggesting, Mr. Speaker, that such a high quality was reached only through the efforts of the federal government. Obviously, private builders and private financial institutions have played an essential role, as did other government levels. Mr. Speaker, I will unhesitatingly say that it would have been impossible to reach such a high level of performance without the help of the National Housing Act and programs and policies administered by the Central Mortgage and Housing Corporation which is an agency of the Canadian government responsible for housing and community planning.

More than half of Canadian householders own their houses. And out of this number, half do not have mortgage debts nor is it necessary that they have any as the Progressive Conservative proposal made by the Leader of the Opposition would have them in order to benefit from this reactionary mortgage tax credit.

Mr. Speaker, I do not claim that we should rest on our laurels and be complacent about the housing situation in Canada. Obviously there is room for improvement. But as we now meet the needs of most Canadians as far as housing is concerned it becomes increasingly urgent to direct our efforts and resources toward the minority of Canadians who cannot provide for their own needs and who do not find help in the existing programs.

In this regard, the recent Gallup poll asked Canadians whether they were satisfied with the present housing situation in Canada. It is very interesting to analyse the motives of the few who declared themselves dissatisfied. As I was saying previously, this poll taken at the end of 1978, showed that 85 per cent of the people were satisfied and only 13 per cent were dissatisfied with the housing situation in Canada.

A breakdown of this 13 per cent of dissatisfied people shows that the major problem is high cost and—

● (1410)

[*English*]

I have some statistics that I would like to give to hon. members. Out of the 13 per cent who declared they were dissatisfied with housing, 17 per cent said their living accommodation was too small, that there was not enough space, that the kitchens were too small and there were not enough bedrooms; 8 per cent who were living in rental accommodation said they would prefer to live in houses of their own; a big chunk of the dissatisfied, representing 33 per cent of the 13 per cent of Canadians not satisfied with their housing, said that their housing was too expensive or hard to heat; 9 per cent complained of rundown accommodation, the need for repairs, inadequate plumbing and so forth, and 10 per cent said they felt they were living in an unsuitable neighbourhood. All this dissatisfaction must be looked into.

We are not without housing problems, Mr. Speaker. It is certainly clear that many Canadians are not well housed. It is an urgent concern of the federal government that our efforts and resources be directed to improving living conditions for those people who cannot provide for themselves.

Federal housing policies and programs have always been developed in response to the need that prevails at any given time. As market and economic conditions change, as the wants, needs and even the tastes of the Canadian people change, so does the federal approach to housing. In order to respond realistically to change CMHC must continue to fill a useful and effective role as a national housing agency.

We know that in metropolitan Canada about 155,000 households have inadequate or unsuitable dwellings and cannot afford better accommodation without spending over 30 per cent of their income to obtain it. Of these households only about 73,000 live in dwellings that could be improved; the rest would have to move in order to have adequate shelter.

In addition, about 283,000 households pay more than 30 per cent of their income for suitable and adequate shelter. Most of these people live in the older, central areas of cities and towns. In many cases these areas extend outward from the city core along railway tracks, are near airports or are mixed with or adjacent to industrial areas. In these central neighbourhoods housing stock is usually of poor quality while the level of community services is consistently inadequate. These problems are well known and obviously they are known to the opposition.

[*Translation*]

When we made this report public, showing that there are over 150,000 families living in unsatisfactory housing in Canada, the Progressive Conservative critic on housing cried shame. Here is what Professor Lawrence Smith said in an interview over the CTV network on Canada AM about the indignation of the Progressive Conservative critic on housing matters. Professor Smith was interviewed by the commentator Norm Perry.

[*English*]

Part of Mr. Perry's interview with Lawrence Smith, who is a professor at Toronto University, went as follows:

—Jean Pigott, the Conservative MP, she made public a report by the Central Mortgage and Housing Corporation, and she quotes from that report and she says, "Look, according to this report, CMHC says 150,000 households in this country are in inadequate housing." Now, that sounds pretty frightening. Is she right?

SMITH: —well, I would look at it just the opposite. I can't say that the number is wrong, but I wouldn't think that's frightening at all. I would think that that's a great endorsement of the housing policy and the housing industry. Because there's about 7¾ million households in Canada, so what that says is that there's two per cent, or just under two per cent of the households that are in inadequate housing, and that's a phenomenal compliment to policy-makers over the years and the housing industry.

PERRY: —So that's really a taking out of context thing, then, isn't it? In other words, when you say 150,000 inadequate housing it sounds bad. You say it's only two per cent of the houses in this country, and it's pretty good.

SMITH: —That's right. It's about, oh, six or eight months' construction.

PERRY: —Okay. She also claims (and again she's quoting from CMHC) 438,000 households are spending more than 30 per cent of their income on housing, which suggests that houses are very expensive. Now, I don't think that's any surprise to anybody, but for 438,000 people to be spending more than 30 per cent of their income on housing, that sounds pretty scary.

● (1420)

Professor Smith replied:

Well, once again, you have to put all this in context. That comes out to only six per cent of the total households in the country, which then isn't a staggering amount. Second of all, you have to look at who it is that's spending this. For example, if a young family buys—stretches and buys a house and they end up spending 30 or 35 per cent of their income in the first year or two because they expect their incomes are going to rise, and five or 10 years later it will be down to 25 or 22 per cent, that's not scary at all. On the other hand, if it happens to be elderly or people on fixed incomes, where they have no hope of rising incomes and maybe will face rising housing costs, then there's a hardship problem for them.

But, again, the interpretation of this shouldn't be that there's problems in the housing industry. The interpretation of too high a proportion of income going to housing could well be that there are some families and households that have too low an income.

[*Translation*]

Mr. Speaker, there is a summary of what Professor Smith said in this television interview while commenting on the criticism passed by the Progressive Conservative opposition on housing in Canada. That is what I would have said myself. It is obvious, when one considers the whole housing situation in Canada, putting it back in its true perspective, that not only housing production at an acceptable level and at an acceptable cost must be taken into account, but also the financial capacity of those who live in those homes.

There is no housing crisis in Canada. There may have been at the beginning of this decade, in the early seventies, ten years ago, a hint of crisis, but the Trudeau government did a remarkable job during the last ten years to remedy this problem and solve in an outstanding way the deficiencies and difficulties which existed in the early seventies. Assuredly, the

job is not finished. There are certainly adjustments to be made. There are certainly improvements to be made yet.

And precisely, Mr. Speaker, this bill that we are considering today deals with such matters in amending the National Housing Act, first, to increase the building of public housing by non-profit organizations, second, to encourage much larger investments by the private sector in the housing area, third, to extend to all of Canada the Housing Rehabilitation Assistance Program.

Fourth, to set up an efficient housing program for our people. Five, to encourage and support co-operative housing in Canada. Six, to offer the borrower with lesser means another option through mortgage with graduated payments. And seven, to provide a community services program that will help the provinces and the municipalities give better service to their people. Those, Mr. Speaker, are seven actual measures to be found in this bill and which are designed to help those who are poorly housed, and those who are most in need of assistance, namely our low-income workers and our older citizens.

Naturally, those measures provide for the construction of a larger number of housing units for the needy. But, on the other hand, there are also those who are paying too much for their housing. But in their case, and I say it again, theirs is not so much a problem of housing as one of income. For them, as hon. members know, I announced earlier this week, in a speech I made in Toronto, that there was another solution to their problem, which strikes me as infinitely more just than that proposed by the loyal opposition in this House.

Now, Mr. Speaker, commenting on this bill gives me an opportunity to draw a parallel between the approach taken by the Progressive Conservative party and that taken by the Liberal party of Canada as regards the housing issue. There are obviously many differences between us and the Progressive Conservative party. Once again, when it comes to solving the housing problem in Canada we can see that the Progressive Conservative party is the party of the rich and well off while the Liberal party is the one which cares about the average citizen and the working class in Canada.

[*English*]

Mr. McGrath: Like the luxury hotels of William Teron.

Mr. Ouellet: Mr. Speaker, I see that I have just touched the nerves of Conservative party members in this House. They do not like it when we tell Canadians the truth and expose the fundamental difference that exists between the two parties in Canada.

An hon. Member: Vive la différence!

Mr. Ouellet: I did not intend to elaborate on this but because hon. members have objected and do not like what I am saying, I shall. On the one hand we have the Clark proposals, the deduction of municipal tax and mortgage interest payments from the taxable income of home owners. This scheme is too expensive. This country cannot afford such a scheme at this time. It is a scheme which is wasteful because it does not meet head on the housing problems of today. Above all, it is a scheme that is unfair because it is the redistribution of wealth to the rich of this country.

An hon. Member: What about Les Terrasses de la Chaudière?

Mr. Ouellet: They do not like it when we talk about their scheme because they are stuck with it—

Some hon. Members: Hear, hear!

Mr. Ouellet: —unless, as they have done on numerous occasions, such as on the question of deficits and the sovereignty-association issue, they have flip-flopped. They might flip-flop on the Clark proposals for housing.

An. hon. Member: Like the four-fifths and the one-fifth?

Mr. Ouellet: Before they flip-flop on it, Mr. Speaker, I would like to say that if the Conservative party scheme—which is a proposed scheme of full deductibility for mortgage interest and municipal tax—had been in effect in 1976, it would have cost Canada $2.1 billion in lost revenue. If we look at this scheme today it will cost much more.

An hon. Member: Not true.

Mr. Ouellet: And its cost will further increase as mortgage borrowing increases to take advantage of the scheme. The disadvantage of such a scheme is evident. It would cause the diversion of mortgage funds from new construction projects to refinance loans on existing properties, either to settle consumer debts or for purposes of sale. This would cause added pressure on mortgage interest rates and the availability of mortgage funds for new building purposes would be impaired.

• (1430)

Mr. Baker (Grenville-Carleton): No more Rideau Centre.

Mr. Ouellet: The hon. member for Grenville-Carleton (Mr. Baker) has just gone on record as opposing the Rideau Centre.

Mr. Baker (Grenville-Carleton): On a point of order, Mr. Speaker. That project was announced before the last three general elections. I hope it will again be announced for completion. I can say that it will certainly have the support of our party. The only problem is that the minister has not announced anything.

Mr. Ouellet: Steady progress is being made on that project. The former mayor of Ottawa has been instrumental, along with the hon. member for Ottawa-Vanier (Mr. Gauthier), in putting forward this project. I am sure it will come to fruition in due course.

Mr. Munro (Esquimalt-Saanich): It will come to attrition.

Mr. Ouellet: It will be of great benefit to the citizens of Ottawa. It will be to the credit of the hon. member for Ottawa-Vanier and other members of parliament who will be elected on the Liberal platform in the Ottawa region at the time of the next election.

Mr. Lawrence: The "Gauthier memorial centre".

Mr. Ouellet: To return to the bill, I was discussing and explaining the fundamental difference in approach between the Conservatives and the Liberals. I was saying that the Conservative scheme would be much too expensive, a waste of good taxpayers' money. While the present government has adopted a firm policy of restraint in government expenditures, this does not mean that it has closed off the possibilities of initiatives to serve employment purposes in an efficient way and which offer relief to people who are in difficult economic circumstances.

Our primary objection to the idea of deductibility is that it is wasteful and inefficient as an employment generator. Above all, it is unfair and regressive in its income distribution effects. To generate employment through the housing market, it is necessary only to stimulate the construction or repair of housing. Funds expended for these purposes put people to work. It is not necessary or efficient from an employment point of view to attach subsidies to the entire occupied housing starts at enormous expense.

On the other hand, if the purpose of deductibility is simply to offer relief to people who cannot afford to occupy housing, then there is no reason to exclude the entire tenant population and no reason to accord aid to home owners in a deliberately perverse manner which tends to increase the aid with the level of income of the beneficiary household.

Let me elaborate quickly on this. I just mentioned that if deductibility had been in effect in 1976, it would have cost $2.1 billion. Of this amount tenants, who constitute 38 per cent of households and who have lower income on average than home owners, will get nothing. Households making less than $5,000 income, who constituted 21 per cent of all households in 1976, would also get nothing. Those earning from $5,000 to $15,000, who made up almost half the population in 1976, would get just over one-third of the benefits. The remaining 31 per cent of households, those earning over $15,000, would receive two-thirds of the entire benefits.

An hon. Member: A Tory program.

Mr. Ouellet: Indeed a Tory program. It clearly differentiates the approach to housing of Liberals and Conservatives.

A further point has to do with the interprovincial impact on deductibility which tends to favour provinces which have high income and high home owner propensity. The evidence is that on mortgage interest deductibility, only Ontario and British Columbia will gain relatively in the sense that the benefit to their citizens would be higher than their relative share of the number of households. All of the other provinces will benefit less than their share.

It is very interesting to see that the Housing and Urban Development Association of Canada, HUDAC, decided that they cannot endorse the proposals of the Leader of the Opposition (Mr. Clark) unless certain conditions are included, conditions that obviously cannot be met. A Canadian Press report of February 20, 1979, stated:

> HUDAC said the resultant loss of tax revenue would have to be matched by cuts in government expenditures so that the government deficit would not be adversely affected as a result of the program.

It is impossible for the Conservatives to meet that point. Their scheme will only add substantially to the deficit of the Canadian government.

> It also wanted assurance that the supply and price of mortgage money would not be adversely affected and that the "cyclical instability of the industry would not be aggravated".

Indeed, the builders of Canada have every reason to be frightened by these tremendous effects on the cyclical instability of the industry that would be hurt by such measures.

It is also interesting to look at the report of a member of parliament who went to the United States along with other members of this House to study their system. The purpose of the discussions was to assess the merits of their fiscal system which permits the deductibillity of mortgage interest and real estate taxes in computing incomes. The hon. member for Westmount (Mr. Johnston) had this to report on his return to Canada:

> The deductibility feature certainly favours upper income earners, not only because of the progressive nature of the rate structure in the United States but also because home owners in 1976 had an average of $16,000 while renters had an average income of $7,400.
>
> The average price per home in the United States at the present time is approximately $61,000 and 63 per cent of U.S. housing is owner-occupied with a high of 69 per cent in some areas to a low in New York State of 47 per cent. It is important to note that in Canada in 1976, 63 per cent of all households were owned, which is identical with the U.S. experience and yet no mortgage interest or real estate taxes are deductible in this country.

● (1440)

So without such a beautiful scheme, our performance in Canada is very good, and we do not need regressive measures to complicate the situation.

The third matter reported by the hon. member for Westmount is the following:

> The recommendation of all government officials and all independent economists with whom we met was to the effect that a system of mortgage interest and real estate tax deductibility is to be avoided at all costs . . . The problem which they all recognized is that once incorporated in a fiscal system, the deduction is impossible to eliminate.

Then it creates all kinds of embarrassment. I have explained the so-called miracle solutions to housing problems offered by the official opposition. On the other hand, the Liberal government has come forward with the series of measures included in this bill to tackle head on some of our main housing problems.

Our approach has been discussed with and approved by the provinces. Our solutions are eagerly anticipated by municipalities, co-operative movements and various non-profit organizations in Canada. What we want to do is economically sound, fiscally responsible, relevant and 100 per cent socially just. I

do not pretend that this bill will solve all problems, but there is no doubt that it will go a long way toward doing that.

I admit that the government will soon have to be concerned about the still large number of families which live in inadequate and unsuitable housing because they cannot afford satisfactory accommodation. We will have to consider the possibility of a more general kind of aid for people who have difficulty obtaining decent accommodation. This type of aid might be in the nature of shelter allowances. I recognize that this will require a very substantial commitment of government funds, and in a period of restraint such a scheme can hardly be implemented; but the reason I am talking about such a scheme today—while I recognize that funds are not presently available—is that I want to warn Canadians that there is a better way of solving housing problems in Canada than by adopting the proposal of the Leader of the Opposition, which would be detrimental.

There is no doubt that there is a better way of solving housing problems when money is available. It seems to me that the right direction has been taken by the governments of British Columbia and New Brunswick in the introduction of their shelter allowance programs for the elderly. Those programs assist the elderly with their rental payments, to the extent that those payments exceed 25 per cent of their incomes, and it is thus possible for those people to solve their housing problems better by choosing freely in the marketplace. I sincerely hope that in the near future and as soon as our economy permits we will adopt shelter allowance systems which will provide assistance to home owners and tenants alike through payment of tax credits for shelter expenditures exceeding a certain percentage of income.

● (1450)

[*Translation*]

Until then, the bill now under consideration will authorize the implementation of a new non-profit housing program which has been designed to increase the housing stock for low-income Canadians and eliminate many of the disadvantages of traditional federal-provincial housing programs.

I would like to take a few more minutes to outline this program, Mr. Speaker. First of all, it will operate through non-profit organizations, whether private church organizations, philanthropic clubs, unions or other similar organizations, or public organizations set up by municipal or provincial authorities.

These organizations, when they wish to build or buy low-cost rental housing, will be privately financed by banks, trust companies or credit unions recognized under the National Housing Act. To ensure that the organizations will be able to obtain easily such mortgage loans, the federal government will provide mortgage insurance under the provisions of the National Housing Act. This insurance will cover the whole value of these properties, not only in the case of the units to be built, but also in the case of existing housing to be purchased and repaired.

Everyone will be allowed to reside in these dwellings. Those with higher income will pay the rental rate necessary to make the project profitable. Those who cannot afford to pay the whole amount will pay a rent proportional to their income. Since many tenants will pay a lower rent than the viable economic rent, the residential projects will operate at a loss. These operational losses will be covered by a new system of federal grants which will provide a significantly higher contribution than the one previously provided through public housing programs.

I would now like to give a brief explanation of the mathematical methods used to set the amount of federal grants and rental rates. Firstly, under federal-provincial public housing programs, it is the provincial governments which set the rentals and administer the rental projects. This is not the responsibility of the federal government which has never set rentals and has no intention of doing so, either within the existing public housing programs or under the new non-profit housing program. Earlier this year and also at the end of 1978, it was falsely suggested that the federal government was gearing to increase rentals for tenants of public housing projects, which created some concern over the disastrous effect that such increases would have on low income families. As I said, Mr. Speaker, the Canadian government does not set rentals and has no intention whatsoever to do so either in the public housing or in any other sector. Indeed, we could not increase or lower these rentals even if we wanted to, because we do not have the authority to do so, since this authority belongs primarily to municipal and provincial governments.

It is the provinces which set rentals, usually according to income-based scale. This scale varies greatly between provinces. In some, tenants pay a flat rate of 25 or 30 per cent, in others, the provincial government sets the percentage of income paid in rent. Also, the method of calculating household incomes and child benefits differs, as well as additional heating, electricity and parking costs.

Ever since 1970, the federal government has put out as guidelines for the provinces, rent scales which are based on what is considered as family income. Some provinces have made use of some of these guidelines, but not a single one of them is using them to their full potential. The rents thus proposed for housing units fully serviced, vary on the federal scale from 16.7 per cent in the case of the very low income people to 25 per cent for those with a slightly better income.

Hon. members are certainly aware of the fact that under the traditional programs of social housing, the federal government makes up jointly with the provinces for the operation deficits incurred when housing low-income people who are unable to pay commercial rates. The rent scales vary considerably from one province to the next, and so do the operation deficits. Therefore, the provinces which require their tenants to pay a

smaller share of their income for rent, run up deficits which are generally greater than those which require them to pay higher rents.

In order to treat all provinces equally, the Canadian government routinely pays, as a form of grant, any amount, however small, shown either on the provincial rent scale or on the proposed federal scale. As this scale has not been adjusted since 1970, whereas incomes, even that of the most underprivileged, have increased considerably since then, a very high proportion of tenants are receiving allocations based on 25 per cent of their income.

Mr. Speaker, most Canadians spend at least that much of their income for housing and some, especially the low-income earners who provide for their own needs without the benefit of public housing programs, spend a much greater share of their income on housing. While discussing the content of the new non-profit housing program with my colleagues, the provincial housing ministers, last year, I pointed out that there would be some advantages if they could all agree to phase over a period of time a uniform rent scale across Canada based, for instance, on a fixed rate of 25 per cent of gross income.

The provinces undertook to look into the matter and have in fact met several times in the past months to discuss this. From what transpired from their last meeting, I understand that they were unable to agree on the matter and a general consensus is therefore out of the question. This will have a very simple consequence: existing provisions will continue to be applied and each province will continue to use the scale it deems appropriate. As in the past, the federal government will pay the lesser of either the grant based on its proposed scale for public housing or the grant based on the current provincial scale. In any case, the grants should never exceed the actual operating deficit.

As provided by the new non-profit housing program, the total federal subsidy, for a particular project, will be sufficient to bring the interest rate down to 2 per cent. It will be the responsibility of the particular province to pay the other required subsidies. If a province pays a contribution which is equal to that of the federal government, the subsequent subsidies will be paid on a 50-50 basis by both governments.

The formula proposed by the Government of Canada is no doubt quite significant and very interesting, Mr. Speaker. One of the major problems faced by a non-profit organization interested in building and operating public housing units, is the interest rate it will have to pay over the years on the capital borrowed for such a project. So the decision of the Government of Canada to use its subsidy to bring down the prevailing interest rate to a fixed rate of 2 per cent is a considerable progress. It could substantially assist non-profitable organization in building and developing a greater number of housing projects.

There is no doubt that it will help if we say to those non-profitable organizations: Do not worry about the high rate of interest you have to pay and which may go up over the years; no matter what it is, whether it be 8 per cent, 9 per cent, 10 per cent, 11 per cent, 12 per cent or even 14 per cent, I guarantee that for the duration of the project, until such time as you have reimbursed the capital, there is no doubt that we will grant you an annual subsidy to reduce that rate of interest, which may be 10 or 9 per cent, as I said, to 2 per cent. The difference between that 2 per cent and the 10 per cent or 11 per cent the market may be asking, you will receive each year in federal government grants.

Mr. Speaker, I feel that this proposal will be of considerable help, not only to the non-profitable organizations in the private sector, but also, and especially, to those in the provincial and municipal sectors. To my mind, this program is equitable from the point of view of the tenants of housing sponsored by non-profitable organizations as well as from that of both federal and provincial governments. It respects in every point the stand I have taken during consultations with the provinces and the long-term policy of the Canadian government with regard to cost-sharing housing programs set up through joint federal and provincial initiative.

All the obstacles to the integral implementation of such a program have, to my mind, been removed, and I am optimistic about the achievement of its ultimate goal, namely, the annual construction of 30,000 good housing units for those in greatest need. I could add, Mr. Speaker, that one of the main instruments in getting this new housing program under way will be the housing co-operatives that played such an important role in the last few years in giving many Canadians access to decent housing which they could not have had without their help. From the start, we were concerned about seeing to it that those co-operatives would have every opportunity to participate fully in the program, and that nothing in the administration of the program would run counter to the principles on which the co-operative movement is based.

● (1500)

I am pleased to announce, Mr. Speaker, that following very extensive discussions with the Canadian Co-operative Housing Foundation we have reached an agreement which will help us achieve our respective objectives concerning the administration of grants and the financial burden of the occupants. In addition to helping these housing co-operatives, we also want to open a new avenue to make housing available to low income individuals, and that is the rationale for another important principle contained in the bill. Indeed these amendments to the act will support and give more strength to our policy of relying as much as possible on private investment for housing construction and saving public funds for the kind of help only the government is able to offer.

Obviously, neither the federal government nor provincial governments have the resources required to meet all the needs in the area of housing in Canada. We believe the private sector

has financial resources that we must utilize in a more useful way, precisely to channel private funds into the implementation of the housing program.

Mr. Speaker, my colleagues are no doubt aware that mortgage insurance under the NHA is the major tool to stimulate private investment in housing, protecting as it does the lender against losses. The legislation put forward extends the provisions of the mortgage insurance program in a number of important ways to promote private sector investments and reduce government expenditures, which indeed is in line with our policy of reducing the Canadian government deficit.

The legislation would amend mortgage insurance provisions under the National Housing Act to make graduated payment mortgages more popular in private sector lending circles. Such a loan technique is a normal development of house ownership and rental housing programs. It would enable borrowers to reduce their monthly payments during the first year of occupancy, with later stabilization in the remaining payment period. Although this type of loan might not be the universal solution to housing problems, where put to proper use by lenders and borrowers it could indeed be most useful, particularly in the case of young people who start in life with limited revenues, as most people in similar circumstances, but who have every reason to believe their financial resources will increase as they advance in life.

I am pleased to indicate this new mortgage tool is finding increasing acceptance among both borrowers and financial people. As stated in the latest CMHC report, the corporation had insured graduated payment mortgages covering some 5,000 units. The legislation further provides that where a borrower defaults on his payments under an insured graduated payment mortgage, the Central Mortgage and Housing Corporation will retake the loan and proceed with quick settlement with the lender.

Of course the Tory housing critic feels our experience in house ownership programs met with difficulties. She referred to defaults and foreclosures.

Some members opposite have asked me in the House about the percentage of defaults. They underlined the fact that according to them, about 10 per cent of those who took advantage of the Assisted Home Owership Program had defaulted. They remind me, Mr. Speaker, of that individual who complaints that his glass is 10 per cent empty when he should rejoice that it is still 90 per cent full.

There is no doubt, Mr. Speaker, that the Government of Canada took some risks with its Assisted Home Ownership Program when it encouraged certain people whose income were rather low and whose chances of becoming home owners were perhaps somewhat remote. Of course the Government of Canada took some risks, just as it is prepared to do when it offers the graduated payment mortgage and states that in case of default it will assume the debt and proceed quickly to settle with the lender. But we are prepared to take some risks, because unlike the Conservatives who want policies for the benefit of the rich, we are prepared to implement policies which could endanger in some way the financial security of those transactions. We are prepared to take some risks for the benefit of middle income and even low-income people to allow them to take advantage, like any other Canadians, of the privilege and the opportunity to own their own house.

I do not hesitate to say that whatever criticisms the Progressive Conservative opposition may make on that issue and whatever percentage is involved, be it 2 per cent, 4 per cent, 5 per cent, or even 10 per cent, I prefer to let them play with those percentages concerning defaults and arrears. I am satisfied that we brought forward an outstanding program. Even though 10 per cent of those who benefited from those programs have failed to meet their payments, there are still another 90 per cent who did. We can be proud of that, because without this program 90 per cent of Canadians would not be home owners at present. We did not pass that motion.

In short, Mr. Speaker, I think that this bill will allow us, if it is adopted, to increase considerably the federal assistance to low-income people for the improvement of their housing. I heard the hon. member for Ottawa-Carleton (Mrs. Pigott) say that this assistance program to promote the purchase of houses was badly administered. By whom? Badly administered by that poor young couple who, some years ago, borrowed money in the hope of owning their house but who, for personal reasons, are no longer able to meet their payments, because they did not get the wage increase they expected to get, or because there was sickness in the family, or for any other personal reasons which prevented them from meeting their commitments. This has nothing to do with the Canadian government.

● (1510)

We said that we developed a program to promote home ownership and entered into an agreement with banking institutions so that they make funds available to Canadian borrowers while the Government of Canada granted subsidies to reduce the borrowing costs for new owners. If, unfortunately, some people could not take full advantage of the program, it is not our fault since we did not manage the program as the hon. member for Ottawa-Carleton (Mrs. Pigott) is suggesting.

We did not manage the program, we are only granting subsidies to reduce the cost for new owners. All we do is guarantee the loan made by the bank which normally, if we had not agreed to guarantee that loan, would not likely have loaned money to small or medium-income people. I think this attitude of the Progressive Conservative party which attacks such a fair and socially generous measure for small-income people to help them own their home shows clearly the true nature of that party in that they would never take a financial chance to help small-income people in Canada.

Mr. Speaker, the bill before us will, of course, contribute to increase the number of housing units. It is one of the prime objectives of the government. Furthermore, we want also, through this bill, to facilitate the restoration of Canadian residences. How many Canadians are living in an older house, that is not as comfortable and adequate as it was 10, 15, 20 or 30 years ago. But how many Canadians want to stay on living in that house because their father or grandfather lived in it, because it is located in a small town or a district where they know many people, where they feel at home!

Under its Residential Rehabilitation Assistance Program, the government has already spent millions of dollars to promote the rehabilitation of those residences. And we want to expand that program, because we believe that there is in Canada a large number of residences that are worth repairing and might be used for another 15, 20 or 30 years. It will be a cheaper way and probably a more humane way to answer the needs of those Canadian families who do not want a new house and choose to fill some holes or some cracks in the doors, the windows or the frame of their old house, who want to instal a new heating system and modernize their beautiful old house to make it more comfortable. And this bill, Mr. Speaker, specifically provides for a series of measures that will prompt the private sector to invest more in residential rehabilitation in Canada.

This bill will enable us not only to reach our goals in the housing field but also to obtain an even wider objective. It will enable the government to co-operate with other government levels so that all Canadians may live in a safe and pleasant environment. The community services program referred to in this bill is designed to carry out the second part of that commitment made by the Government of Canada which is to provide not only a good home for all Canadians, but also to give them a pleasant and secure environment. The federal aid to attain that objective will be provided so as to respect fully the levies made by municipal and provincial authorities to meet their needs and priorities and will remove most of the waste due to duplication of administrative procedures.

The community services program was discussed with the provincial minister concerned. It merges the federal assistance provided until now for neighbourhood improvements, water supply and sewage treatment facilities and for the construction of low rental and medium density housing. The federal government will continue, of course, to provide help in the form of direct grants for all those activities but it will extend from now on its assistance to a whole list of social, cultural and recreational services.

If I suggested extending the scope of the community services program it is because I realized that previous programs did not fully meet the needs of all Canadian municipalities and they needed precisely the flexibility required to allow them to have, if they so want, community and recreation centres, parks, ice rinks, child care centers, libraries, to allow them to improve their municipal buildings as a municipal investment and to build plants for conversion of garbage into energy power and carry out all capital works considered priorities by those municipalities.

The new program, Mr. Speaker, is in line with the concept of block financing that was agreed upon by the provincial ministers at our meeting in Edmonton in February. The program provides that the federal government funds will be used for cummunity services in accordance with the purpose of the program but they will be distributed according to provincial and municipal priorities. I want to say that the various projects will not have to be approved by the Government of Canada, as was the case previously for the neighbourhood improvement program or the municipal infrastructure program. We are withdrawing all public servants in charge of the implementation, the monitoring or the administration of those programs. Finally, we are taking out one level of government in the use of those programs. We believe it is not necessary to have three levels of government represented in the management and administration of those programs. We trust municipal and provincial authorities to take care of that program by themselves. And, of course, we believe this program will meet the true priorities of Canadian municipalities much more adequately.

Mr. Speaker, I would like to conclude my remarks by saying that in general this legislation is one of the important aspects of the Canadian government's position on housing in Canada. We can indeed be proud of our past accomplishments, but we want a better future still, because we are aware that there remain housing problems in Canada and that Canadian municipalities have major priorities which must be met. It is in this spirit of co-operation with provincial and municipal authorities as well as with public or private social housing agencies that the Canadian government wants to have a part in improving the production of Canadian homes, in a better environment, in all areas of our country.

I am not suggesting that this bill meets all the needs. As I have said, there is still progress to be made, and we will be able, in time, to meet other objectives, given the proper financial resources and to the extent, of course, of our financial capability.

Also, amendments to this bill may yet have to be brought in.

I do not pretend that we have solved everything. I have already received a few recommendations for amending certain minor aspects of the act, particularly with respect to the Residential Rehabilitation Assistance Program where private financing should be made easier to obtain in order to get better results from that program.

I know that the opposition parties will probably make proposals and introduce amendments to improve this bill. As for me, Mr. Speaker, and I say it now, any useful, constructive and worth-while proposal will be welcome and I am anxious to sit on that committee to deal with this bill clause by clause in

order to analyse it even further and if necessary to amend it in the best interest of all Canadians.

To conclude, I wish to say that it is the result of lengthy discussions with the provincial authorities. I know that they approve of this bill and I urge hon. members to do the same.

● (1520)

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. I do not ask for a decision at this moment, but I wonder if I could alert the House to the fact that I have asked my friend, the Progressive Conservative House leader, whether there might be some possibility of his getting his friend, the hon. member for Burnaby-Richmond-Delta (Mr. Siddon) to postpone his private member's discussion today so that we could continue this debate and let the hon. member for Ottawa-Carleton (Mrs. Pigott) have all the time she needs, and for the spokesmen for the other parties to make their statements today. It might be useful to have all four parties on record in the same *Hansard*. As I say, the hon. member for Grenville-Carleton (Mr. Baker) may be able to give me an answer now or later.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I shall certainly speak to the member who has a private member's bill but I do not think this is necessary, having regard to the continuing function of *Hansard,* to have the debate continued in that way. I am a little concerned about the kind of bargaining that my friend has just done in public. He came to me privately and asked if I would see whether I could arrange that, and I told him I would do my best. I do not really think it is the responsibility of opposition parties to make up for the fact that the minister perhaps went on a little long.

Mr. Ouellet: On that point of order, Mr. Speaker, the hon. member said he felt I went on too long. I waited for almost an hour and one-half last Wednesday before starting to speak. The study of this bill was due to start at three o'clock, but I had to wait until almost 5.45 p.m. before starting to speak. I have since been interrupted twice because of adjournments. I think it is fair to say that I have done my best to deal with this bill as quickly as possible.

Mrs. Jean E. Pigott (Ottawa-Carleton): Mr. Speaker, we on this side of the House are pleased to participate in second reading of this bill which embodies legislation to amend various sections of the National Housing Act. It is with great relief that I can finally rise in my place today on behalf of the thousands of municipalities in the provinces and the various third-sector groups who waited, some impatiently, for almost a year for this legislation to be debated and passed in this House. The minister has announced the various new programs four, five or six times—I have lost count.

Following release of the minister's new directions on housing last year, his attention, it would appear, has been on every direction except housing. He has either been preoccupied with planning an election that his leader is afraid to call or, as he stated this week in Toronto, he would prefer the value of the Canadian dollar to rise before doing anything except philosophize on housing problems. That includes the plight of 800,000 families who pay more than 25 per cent of their income for shelter. Everyone knows that if we waited for the Canadian dollar to rise under this government, our urban problems would multiply. A high priced dollar would make our exports more expensive, besides. Presumably his deputy minister would then have to peddle his grass huts internationally.

As I indicated earlier, it is almost a year since the minister announced his new direction. The government has deliberately contrived to schedule second reading of this bill at a time when municipalities are planning for funding following the termination of the old NIP program, and the non-profit and co-operative sectors have programs and prospects which have been unnecessarily delayed by this government's attempt to orchestrate quick passage of this bill without adequate examination and debate. But then again, careful examination and prudent lending are something that can be ignored particularly when luxury hotels are being financed with NHA money, or when the ministry directed CMHC to work on a system of patronage. The question is not so much the evolution of the policy of the lender of last resort but is a question of CMHC financing which resort. Mr. Speaker, we are not misled by this orchestration of a short time span on this bill. The minister has given a verbal commitment to the provinces that this legislation will be retroactive. He does not need to have quick passage and we intend to take as long as we can to debate this bill.

I should like to assure the Minister of Public Works and Minister of State for Urban Affairs (Mr. Ouellet) that our unqualified support could be extended, but now I cannot.

The House and the people of this nation should have an opportunity to review the history of the ministry. The minister took quite a few diversions in the last hour so I shall spend a little time on the Ministry of Urban Affairs. I believe what has happened to the ministry symbolizes the failure of this government to assume its catalytic role in the determination of a national urban strategy. From its proclamation in this parliament in June, 1971, its mandate has been unfilled.

This government, lacking in any real commitment or sustained responsibility in the urban environment, has finally played this ministry as a card in the constitutional shuffle. The minister was never more accurate than when he stated before an audience Monday that "federal housing policies and programs have always been developed in response to the needs that prevailed at any given time." What resulted from these changing responses, to any given time on which the urgent drove out the important, was considerable confusion as to what assistance was available, what assistance had been withdrawn, and what the implementation dates were that were constantly being revised.

I wonder, sometimes, whether the minister has ever gone to see the mess he has created in some of the regions of the country. In more cases than not, "urgent" meant "elections" or "empire reorganization". There was never any continuity and stability in program operation. This prompted one provin-

cial official to state that Ottawa should get out of the numbers game and commit themselves to supporting longer-term principles and goals. He commented that the numbers can change or be reviewed every year, but the principles should remain.

The ministry was established to co-ordinate between federal agencies. It was to initiate policy proposal and evaluate both established federal policies affecting urban Canada, and proposals for change. It was to foster co-operative relationship in respect of urban affairs with the provinces and, through them, their municipalities, and with the public and private organizations. Certainly not least, it was to initiate, conduct, co-ordinate and recommend research related to urbanization.

It is interesting to note what transpired. In 1973 the government directed that a senior interdepartmental committee on urban affairs be established at the deputy minister level to co-ordinate government involvement in urban affairs. That committee, from all accounts, never met.

The policy research function of the ministry which is central to its mandate, hardly exists, if it exists at all. This led one former director general of the ministry to state publicly:

There is an irresistible presumption in the events of the past eight years that Trudeau rationalism, in so far as the urban policy field is concerned, has gone full circle, and we are back to politics as usual.

● (1530)

Indeed let us hope that the research people in the ministry can come up with some answers for the minister's new found concern for shelter allowances.

I have so many studies here. They are all the studies that have been done for mortgage interest deductibility. I have another one here for property tax. It is too bad. They were all ready to put in the budget, but the Leader of the Opposition (Mr. Clark) took them first.

Some hon. Members: Hear, hear!

Mrs. Pigott: These studies are all from the minister's department. Some of them are from the Minister of Finance (Mr. Chrétien).

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Ethier): Order, please.

Mr. Ouellet: Mr. Speaker, I rise on a point of order. I want to remind the hon. member that indeed a government which has—

Mr. McGrath: Mr. Speaker, that is debate. It is not a point of order. You cannot interrupt the speech of an hon. member like that.

The Acting Speaker (Mr. Ethier): Order, please. In all fairness hon. members should allow the Chair to hear what the minister has to say, and I will make the decision based on his submission.

[*Translation*]

Mr. Ouellet: Mr. Speaker, I will say it in French because it will be easier for me and I will be able to say it more directly. The hon. member speaks about studies made by my department. It is obvious that my department carried out a great number of studies and there is a basic difference between studies and a government decision. If this matter has been studied it was precisely to find out after the study that it was a bad solution to this problem.

[*English*]

Mrs. Pigott: Mr. Speaker, I have more on this one and I will come back to it.

If the minister would remove his people from working on the polls and surveys that should more properly be done by Mr. Goldfarb, he would produce those figures or numbers which he could not elaborate on on Monday. Perhaps I could read what the *Citizen* reported last night under the heading "Ad Hoc Largesse on Housing."

The federal Liberals are clearly stung by the popularity of the Tories' mortgage-interest deductibility plan. Nothing else can account for Urban Affairs Minister André Ouellet saying that the government hopes to introduce a tax credit for home owners and tenants—

This was not a bombshell from Ouellet. It was more like a puffball, full as it was of equivocation and pre-election resentment of Joe Clark's success with his scheme.

The Liberals will not get far by denouncing the Conservative deductibility plan as "expensive, unfair and wasteful," when the vast majority of Canadian home owners and aspiring home owners think it's the greatest thing since insulation.

Ouellet's pious venture into generalities about this form of housing subsidy falls flat when compared with the Tory idea for the simple reason that it will contribute little to revitalizing the important sectors of the economy that mortgage-interest deductibility will help.

That is what our plan is all about. It is to get this country back to work again.

The article goes on to say:

Furthermore, Ouellet's concept duplicates some of the programs already in existence at the provincial level—

They are always trying to steal provincial material. The article continues:

—and therefore looks like just a piece of ad hoc Liberal largesse in time for the electoral onslaught.

I have another article here. I think these are very good articles for the minister to hear. This is from the *Journal* for February 22, 1979. It appears in the editorial section under the heading Tax Credit 'concept'—Yes, Please, No Details":

'I'm not going to give you any figures. I'm talking about a concept and I'm not going to get bogged down in detail,' said André Ouellet, the federal urban affairs minister—

The article continues:

Mr. Ouellet was right about one thing. There was no need to get bogged down in detail because he was already bogged down in general. The 'concept' is just not airworthy, and it should be left on the ground where it belongs or, better still, buried.

In conclusion, the article reads:

Mr. Ouellet should stick to his vow about no details on his idea. Enough has already been heard.

An hon. Member: Well said.

Mrs. Pigott: Yes, it is well said.

One of the hallmarks of this ministry has been management by the revolving door.

Some hon. Members: Oh, oh!

Mrs. Pigott: It seems that the Minister of Employment and Immigration (Mr. Cullen) is interested in these articles. I have some for him too.

There have been four ministers and there has been a cavalry of directors and employees of the ministry who have resigned in frustration or who have been fired during the course of the numerous reorganizations under the minister's deputy minister. One thing is clear. Anyone may disagree with particular details about the workings of this ministry and may deliver their own judgment about its failure, but I am confident that no amount of manipulation can get around the stark conclusion that it has been politics as usual at the ministry and that our urban policies are unfulfilled. When leadership and a commitment to an over-all national urban policy were called for, the government failed to appreciate the complexities of modern municipal administration and the participatory requirements of our evolving democracy. The "just society" under this government was characterized by programs just too little, just too late, just too complicated, and damned expensive.

The way this minister worked out participatory democracy was characterized by these nocturnal news releases and government by the eleven o'clock news. A flurry of telexes—

Some hon. Members: Oh, oh!

Mrs. Pigott: My remarks seem to be hurting the hon. member for Welland (Mr. Railton). There has been a flurry of telexes to provincial capitals after the fact, and informing rather than consulting provincial governments of federal intentions.

It is interesting to note that the Prime Minister (Mr. Trudeau) has given at least several different reasons for disbanding the Ministry of State for Urban Affairs. One wonders to what extent the Auditor General's criteria of effectiveness, efficiency and economy affected the analysis and decision to disband this agency. It is most surprising that no studies that I am aware of regarding the basis of this decision have been made public. There is no word from this minister in all of his speeches about what is going to happen regarding the concerns for urban policy. But we will take care of that later, of course. It probably would not matter anyway considering the view of the assistant secretary of the urban analysis branch who is quoted as saying, "I'd hate to see an audit done on everything ordered by cabinet".

Regardless of this, Mr. Speaker, I think I speak for most members of the House and a number of persons and agencies outside government when I say we are waiting most anxiously for a summary of seven years' of work by our best urban experts at a cost of millions of dollars. I think it is important following the eventual transition of government to this party that we avoid any duplication of research projects. The minister has proposed various amendments to the National Housing Act that pertain to this government's new direction in low income and social housing.

Central Mortgage and Housing's 1977 capital budget approved by this government totalled $1.8 billion. Actual commitments for that year amounted to $1.3 billion due, in part, according to the annual report, to a lack of response to the social housing programs already in play. So it is not surprising that the programs have been revamped. In many respects the new low income housing programs are singular examples of meeting the growing backlog of need in this sector. It seems very strange the Liberals only quote figures when they go the way they want them to go, but never when we are on the winning side.

Mr. Cullen: It happens so seldom.

Mrs. Pigott: We have been doing very well. Do not worry. All you have to do is take a look at what is happening in the Toronto area.

There are an estimated 155,000 households in Canada with very serious housing problems, paying too much for substandard, crowded accommodation. An additional 438,000 are paying over 30 per cent for shelter. I am so glad the minister and I agree on these figures.

If we consider the normal expenditure ratio employed today, which is 25 per cent, that figure then balloons to 800,000 persons. However, it is revealing to note that one of the principal suggestions contained in a confidential study by the interdepartmental committee on social policy on shelter is that poor people living in public housing may soon have to pay 30 per cent. I hope that it does not make the minister uncomfortable to hear this so close to an election, but he must admit that it was a policy which was announced early last year and then quietly dropped in the summer. A lot of people have not forgotten.

• (1540)

The government makes a big deal out of the fact that it has met provincial requests to disentangle from overlapping administration procedures. Let me make it quite clear that it is only in those areas where principal funding has been shifted to the private sector that the federal government has withdrawn. I hope that many of the Liberal backbenchers who live in the province of Quebec will realize how unfair this is going to be. It will not affect the Montreal or Quebec city market, but it will definitely affect the rural areas.

In a single area where the federal government retained a capital commitment under section 40, provincial governments still view this as an intrusion into their jurisdiction. Moreover, to qualify for federal contributions, loans and insurance, provincial and municipal housing agents are required to expend enormous resources to provide the mountain of information still requested by Central Mortgage and Housing.

The specific instruments for achieving disentanglement, and hence the programs, would be federal and provincial master agreements which would be prepared and signed annually with each province. To date there is anything but unanimous agreement, and only three or four provinces have actually signed.

While recognition of the value of the third-sector groups is long overdue, it is imperative that management skills and training be provided and insured through an adequately funded community resource fund program. A national urban policy must be sensitive to the fundamental social ties that bind human communities together by placing a clear new emphasis upon restoration of a sense of community through the reinforcement and preservation of communities.

Neighbourhood and voluntary non-profit groups have made impressive efforts to renew their communities in many parts of this country. Despite lack of funds and at times a lack of support from outside the community, neighbourhood-based revitalized activities have shown great signs of progress and must be encouraged.

The federal government has failed to help strengthen and expand neighbourhood and voluntary group efforts at self-help. It has failed to encourage cities to grant neighbourhood and non-profit voluntary groups the opportunity to participate in planning and implementing community-oriented programs. It should begin to encourage cities more actively to use the knowledge and energy of neighbourhood volunteers and the expertise of neighbourhood group leaders and staff. From all appearances, it is evident that the government is still intent on subsidizing the housing unit when it would be more useful to explore the possibility of extending federal funds, particularly as regards senior citizens, to the provinces via the global funding formula for the purpose of subsidizing incomes on the British Columbia or New Brunswick model. I was grateful to hear the minister speak of both these models which are ways that we must go in the future with other programs such as these.

One thing was made clear this week when the minister philosophized about his shelter allowance scheme. He stated that if the dollar improved, if government revenues increase, and if everything else was just ideal, he would commit his government to a housing program to alleviate the present problem. What is clear, Mr. Speaker, is that housing is not a priority of this government and that urban planning is not a priority of this government.

As stated by Mr. Hellyer, who is a former Liberal cabinet minister and a member of the federal housing task force:

> If the federal government were really serious about housing costs it would move heaven and earth to assist municipalities, including the provision of cheap money for the installation of municipal services. But it proposes, instead, to concentrate on treating the symptoms rather than the disease. And that is the reason for the mushrooming bureaucracy and astronomical subsidies that have failed to do the job.

The Residential Rehabilitation Assistance Program has been to a large extent one of the more innovative and successful programs administered by CMHC. The program has been applauded from all areas of the country. The government has recognized and responded to its biggest challenges. It was formerly extended only to those areas and neighbourhoods designated within a neighbourhood improvement program area; the NIP program. So what has this government done? First of all, the minister has announced publicly in this House and in committee that the program would now be universal, open to everyone. The Federation of Canadian Municipalities were moved to extend laurels to the minister for proposed changes which would enable this program to exist on a nationwide basis. However, this respected federation and the Canadian public succumbed to one of the biggest deceptions ever perpetrated by this government. In a confidential memo between the minister and the president of CMHC it is clear that the RRAP program is anything but universal.

I have here a memorandum addressed to the minister from Mr. R. V. Hession, the president of CMHC, the rationing of funds for the Residential Rehabilitation Assistance Program. I quote:

> I am writing in regard to the availability of funds under the Residential Rehabilitation Assistance Program. Since the announcement of December 12, 1978 about the proposed removal of statutory area constraints on the program, we have been receiving calls from the media and members of the public at large on this subject, and it is important that we know how best to respond.
>
> In 1978, we committed $82 million in urban NIP and special designated areas. Of this, $45 million was for rental RRAP, for which we will have no need for capital provisions in 1979. The other $37 million committed last year was for home owners.
>
> The 1979 capital budget is $56 million. We will need $37 million to maintain activity in the existing designated areas where work has already begun. A further $3 million will be needed to deal with areas already designated but where work has not started. This leaves $16 million of the 1979 budget for new initiatives. However, 68 areas have submitted final applications for designation under the 1978 rules. After the new law comes into effect, they will not need order in council designation, but they will warrant some priority attention. These 68 areas will require at least $7 million. Thus only $9 million for some 2,250 units remains for work under the terms of the new program criteria once the bill is passed. This is a fairly modest amount and we should avoid raising expectations which we cannot satisfy.
>
> You realize I am sure that neither the industry nor the municipal delivery system nor the present and projected RRAP budget permit the operation of a universal program in the specific sense that anyone, any day of the week can walk into a municipal office and be served. If people interpret universal to mean this, they are bound to be disappointed.

Mr. Ouellet: Read the next paragraph.

Mrs. Pigott: All right, I will read the whole thing.

> There can and should be a universal program in three senses, however:
>
> 1. any one of the over two million housing units in need of modernization aid should be able to secure a loan at reasonable interest insured under the National Housing Act;
>
> 2. based on the criteria already in place, these units and others should be able to receive federal grant assistance—
>
> 3. based on a phased program addressing the worst conditions first over a ten-year period, the 200,000-400,000 dwellings in need of serious upgrading and occupied by lower income people should be brought up to maintenance and occupancy standards—

Of course, that will be under our government so we will do it. I will read the last one:

> What it means in the briefest terms is that while a considerable number of people can take action in the near future, because their areas and homes are in bad shape, others will need to wait for a while. It also means that rehabilitation

effort will continue to be concentrated in specified action areas as in the past, but as a matter of policy, not formal legislation.

● (1550)

An hon. Member: And not universal.

Mrs. Pigott: Don't you love those universal programs? In summary, then, in view of the minister's own figures that 25 per cent of the Canadian housing stock is over 20 years old and in light of his reduced—and unmentioned—budget of $56 million, I can only assume that this minister and this government live in a universe of their own. What is necessary is a long-term strategy combining housing needs, financial resorces, and the capabilities of government and industry in an effort to redress the inadequate housing policies of this government.

With respect to native people on reserves, total new construction to eliminate the present backlog and meet the next five-year needs is 23,000 units, while the total number of major renovations in the same period is 30,000 units. These requirements represent an annual construction rate of 4,500 new units compared with a recent average of approximately 2,400 units per year, and a need for approximately 6,000 major renovations per year compared with a recent rate of 1,800 units per year. During the debate my colleagues will comment much more on the great need for housing for Indians.

With all due respect to the minister, I realize he has very much on his mind while getting ready for the election. I think that is why he is in a hurry but, please, let us be realistic, and let us commit ourselves to a long-term strategy for renovation which in many ways would act as the cornerstone in any urban renewal project. We all realize it cannot be done overnight, but in committee we intend to discuss additional avenues open to the government to adopt such a strategy.

Finally, with regard to RRAP, I question why we should discriminate against the landlord when the success of this program has been that it has ensured a steady increase in the number of renovated units in some of our older neighbourhoods. More about that in the committee.

One of the remaining elements in the bill emphasizes new and expanded use of NHA mortgage insurance. In point of fact the aggregate maximum of loan insurance has been increased to $40 billion. In the committee we will want the minister to give us much more information on this clause.

AHOP has been dropped in favour of a graduated mortgage payment. The minister knows, and I know, that major lending institutions do not support this financing technique, and to gain this support the government proposes to implement a quick settlement package. In the words of one analyst, and I quote:

There are no longer any checks and balances; no rules for circumspection. The borrowers can borrow with hardly any money down. The lenders can lend with scant attention to risk. And CMHC can subsidize with magnanimous indifference.

On the one hand, we have the Minister of Finance who wants to continue to wrestle inflation to the ground and, on the other hand, we have the Minister of State for Urban Affairs phasing in a graduated mortgage payment based on future inflationary increases in prices and incomes. The minister is putting people in an incredible bind. Under this government that is all that has been achieved. The 1971 housing dollar is worth 48.2 cents.

The cost of housing has not even been addressed in this bill. That is very serious. This week the minister announced to an audience of Toronto home builders that he was increasing the maximum NHA lending price to $70,000. Imagine, $70,000! The mayor of Toronto spoke prior to the minister that day, and he indicated that under the old price-lending structure less than 10 per cent of the families in metro Toronto had incomes which would permit them to purchase new housing. The minister has lived in a vacuum somewhere. He criticizes our leader's mortgage interest deduction proposal, but he forgets that of the 67 per cent of the Canadian people who had incomes under $18,000 in 1976, only 5 per cent could borrow $25,000. The minister and his rich! He forgets. I am very eager to see what happens to the minister when he goes out to union halls and into poor districts and talks against our mortgage interest deductibility proposal.

Mr. Ouellet: I will.

Mrs. Pigott: On Wednesday Liberal candidates in Toronto begged the government to bring in a property tax deduction, remove tax from building supplies, or at least do something about ARPs and MURBs to relieve the rental situation. The minister did not do a thing. On whatever night it was the minister returned I overheard two Liberal backbenchers out in the lobby saying, "Ouellet just hammered nails in our coffins in the Toronto area."

Mr. Munro (Esquimalt-Saanich): You are a great carpenter.

Mrs. Pigott: Poor Toronto!

Some hon. Members: Oh, oh!

Mrs. Pigott: Hon. members opposite should not quote figures given by the Minister of Finance. He has not yet in this session been right about a figure. He has never been right. I have some good studies too. I have one wonderful study entitled "The Mid-Term Implications of Mortgage Interest and Property Tax Deductions for the Government" by one of the learned people in our country. We said $1.6 million. This person is saying that at the end of the first year it would cost $63 million, $259 million the next, $684 million the next, and then $1.77 billion. The figures are getting better for us all the time. Those poor Liberals. Let them go to Ontario; I do not mind.

Mr. Douglas (Bruce-Grey): What did they tell you when you were in Washington?

Mrs. Pigott: The minister is always talking about Mr. Smith. Mr. Smith went to Washington. Something happened to him there, too, but we went to Washington, and it was just

great. Every economist and every revenue fellow said, "Don't do it, but—"

Mr. Douglas (Bruce-Grey): "Don't do it".

Mrs. Pigott: No, they did not say that. They told me that the American dream is to own your own home, no matter what bracket you are in.

Mr. Rae: You said that.

Mrs. Pigott: Just a second. Marjorie Nichols, the politicians, and all the economists said it too. The hon. member can go anywhere in this country asking what the Canadian dream is, and he will find that the Canadian dream is to own. The hon. member's party does not care. It does not recognize that. It just wants to give away. The Minister of Industry, Trade and Commerce (Mr. Horner), with his big ranch, said that owning a home is a luxury.

Mr. Whiteway: It is a dream to own a house, and the nightmare is this government.

Mrs. Pigott: The Minister of Finance claimed some months ago that the money which was spent under the present government was spent to build houses and increase supply, not to create expectations and demand for higher prices. In fact, scarcities of serviced lots and high carrying costs due to zoning delays, combined with this government's own demand initiatives, have resulted in unparalleled housing inflation in the past four years. The average resale price for housing for the period—and this is the period of this government—from 1973 to 1977 increased by $21,000, or 67 per cent. The average cost of a new NHA single attached dwelling in that four-year period increased $16,600, or 39 per cent. As I indicated earlier, the net effect is that the purchasing power of the 1971 housing dollar—the dollar of the Prime Minister and the Minister of Finance—is less than 50 cents today.

This problem is compounded by the fact that residential construction activity is bound to decline if the current large inventory of newly constructed but unoccupied dwelling units is not absorbed. To compensate for this decline in residential building activity the minister has encouraged the home building industry to become actively involved in the new co-operative and non-profit form of housing. However, in a speech in Windsor late last year Mr. Robert Adamson of the Central Mortgage and Housing Corporation indicated that, and I quote:

While the new non-profit program promises to do a better job of bringing adequate accommodation—

[*Translation*]

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

Air Transportation

PRIVATE MEMBERS' MOTIONS

[*English*]

The Acting Speaker (Mr. Ethier): Item No. 7, the hon. member for Renfrew North-Nipissing East (Mr. Hopkins). Shall the item stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Ethier): Stand by unanimous consent.

Item No. 9, the hon. member for Ottawa-Carleton (Mrs. Pigott). Shall the item stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Ethier): Stand by unanimous consent.

* * *

● (1600)

AIR TRANSPORT

SUGGESTION AIR CANADA ROUTES BE GRANTED TO OTHER AIR LINES

Mr. Thomas Siddon (Burnaby-Richmond-Delta) moved:

That, in the opinion of this House, the government should take steps to end the near-monopoly of major national air routes by Air Canada and permit private airlines to compete on a more equitable basis with Air Canada, and, that permission should be granted to CP Air to extend its transcontinental service to Halifax.

He said: Mr. Speaker, it gives me pleasure to present this motion this afternoon and to discuss for a few moments the three portions of the motion in sequence.

This motion cites the failure by the government opposite to implement a competitive air transportation policy which would recognize the legitimate and rightful aspirations of our private airlines. Indeed, this motion indicts the government for its repeated refusal to pay more than lip service to the common sense principle that private sector airlines be allowed greater freedom to compete with Air Canada.

To be more specific, we in the Progressive Conservative party believe that privately financed airlines should be entitled to a much greater share of the air transportation business in Canada and that future growth mut be directed almost entirely toward these privately-owned enterprises.

At the outset I want to make it clear that the thrust of our argument should in no way be construed as a criticism of Air Canada. In fact in my own riding of Burnaby-Richmond-Delta, Air Canada personnel are very active, and I and many of my colleagues on this side of the House enjoy travelling with Air Canada personnel on a weekly basis for many hours. I know the local management of Air Canada in Vancouver, and we on this side of the House are extremely pleased with the senior management of Air Canada as represented by Mr.

Claude Taylor. Indeed, we could do well with more people like Claude Taylor in this government.

I single out CP Air in the first part of my motion because it is tremendously important to western Canada, but also because it has been identified, as a consequence of transcontinental air policies introduced in the mid-1960s, as the sole second transcontinental air carrier in this country.

CP Air pumps over $280 million annually into the economy of British Columbia and over $1 million of tax revenue into my constituency. It employs over 4,500 people there. By comparison, Air Canada employs 800 people in British Columbia, roughly speaking, and approximately 15,000 in and around the city of Montreal. So if we from the west tend to have some affinity for CP Air, I suppose we have a legitimate reason for it.

The thrust of this motion is not to advocate a reduction of Air Canada's services but rather to ask: should the regional and transcontinental air services in Canada be dominated by one large and centralized national airline? We have only to look at the crippling effects which strikes impose upon our air services to conclude that we should not allow a dominant role to be played by one large nationalized airline in providing air services in this country. The thrust of this motion is that CP Air and regional airlines should enjoy virtually 100 per cent of the future growth at least for the next few years.

I indicated that there were three parts to the motion, and I would like to speak to them in turn. The first section of the motion reads as follows:

> That, in the opinion of this House, the government should take steps to end the near-monopoly of major national air routes—

By that I mean the monopoly of transcontinental routes enjoyed by Air Canada. Indeed, I note that recently Mr. Claude Taylor told the press that Air Canada did not enjoy a monopoly. But under the transcontinental policy for the division of services between Air Canada and CP Air as set out in 1977, CP Air was granted only 25 per cent of transcontinental services and Air Canada was granted 75 per cent. If that is not a near-monopoly, I do not know what is.

I should like to read now from a press release put out by the Air Canada information services in September of 1978, a document which surprised me indeed because it sounded more political than factual. In fact there are a few games with numbers here, which surprise because my engineering and scientific background has taught me to trust numbers. But having sat in the House for some weeks and having heard the comments of my colleague, the hon. member for Ottawa-Carleton (Mrs. Pigott), and having witnessed the introduction of the estimates by the President of the Treasury Board (Mr. Buchanan) on Monday evening, I have to believe that numbers do not always tell the truth. There are many games that can be played with numbers, as all hon. members well know. I will read, from this press release issued in September of 1978, a statement relative to CP Air. It is entitled "Air Canada/CP Air Transcontinental Share" and it reads:

[Mr. Siddon.]

> —they haven't mounted the full capacity to which they were entitled under government regulations.
>
> In fact they haven't put up their allowable capacity in the past five years.

That is absolutely untrue. CP Air has produced approximately 95 per cent of their allowed capacity in terms of seat-mile service each year since 1975. So any suggestion that they have not put up their allowable capacity is patently untrue. No airline regulated by the Canadian Transport Commission would risk putting up 100 per cent of its capacity because if it put up one extra flight a week, it could well go over the allowed limit and thus contravene their operating licence.

Recently the Minister of Transport (Mr. Lang) has announced an increase to CP Air of some 35 per cent of the growth in transcontinental air traffic for 1978, and 45 per cent of the increase in 1979. That has allowed CP Air to enjoy slightly more of the pie. They now enjoy 27 per cent as opposed to 25 per cent.

I would like to read another portion of the same press release as follows:

> Taking only the two companies' major pairs of points, Air Canada currently provides about 60 per cent of the capacity while CP Air provides 40 per cent.

That too is a game with numbers, and it is patently untrue. The next statement reads that if all of Air Canada's services are added, they enjoy 77.5 per cent of the services. So it all depends on how you play with the numbers.

I would like to refer now to the final paragraph of this press release from Air Canada which states:

> It should be noted that CP Air picks and chooses the routes it will serve at a frequency giving maximum return.

This is an old chestnut. It is sometimes claimed that Air Canada must serve small traffic centres, while CP Air has been accused of not serving its share of the small traffic generating points in Canada compared with Air Canada. In fact the direct opposite is true. CP Air serves only eight of the top 20 cities in Canada versus Air Canada's 19 of the top 20 cities, and CP Air serves seven of the 45 smaller cities, versus Air Canada's service to only four of them. So of the smallest served, the least frequently served of the 85 airports in Canada, CP Air serves twice as many as does Air Canada. So much for the old chestnut.

Another statement from this presumably correct press release is the following:

> For example CP Air provides absolutely no service to Saskatchewan.

Indeed, they do not provide any service to Saskatchewan. They have never been asked to or invited to apply for a licence. In fact at present I understand the volume would not justify it.

I submit that CP Air is the only other transcontinental airline which should be allowed to provide at least 50 per cent of the transcontinental traffic in Canada in the future, and that increase should be gradually phased in over a reasonable period of time.

CP Air is ready to provide service to Halifax, which is the essence of the third portion of my motion, and is also interest-

ed in the possibility of providing competitive air service into Thunder Bay.

● (1610)

There is another statistic that might be very interesting to this House. Since 1955 CP Air has transferred 5,700 route miles to regional carriers in Canada, whereas on the other hand Air Canada has transferred only 1,600 route miles. Something is out of whack here, Mr. Speaker. The airline which enjoys prominence in Canada's transcontinental route gives up 1,600 miles, and the airline which enjoys only one-third as much traffic volume gives up more than three times that many route miles. I think something is rather unbalanced, and I believe that statistic to be true.

The second part of my motion states that:

—the government should take steps to . . . permit private airlines to compete on a more equitable basis with Air Canada—

Here I am referring to regional policy and third-level air transportation policies which we ought to have in this country. Indeed, in spite of the promises made in this House by the Minister of Transport five years ago, he has yet to set out a policy for third-level air carriers, and the policy relative to regional air service is old and outdated, having been introduced in 1966.

The regional air carriers in Canada are operating in a vacuum. What does the future hold in store for Transair, Pacific Western, Wardair, Great Lakes, Nordair, Quebecair and Eastern Provincial? What does the future hold in store for those airlines? The Minister of Transport is not telling them, and neither is the Canadian Transport Commission.

One thing is certain, and that is the following, the regionals called recently for an immediate review of government policy affecting the future of regional airlines. Something else these regional airlines have suggested is that transcontinental carriers give up some of their route miles to regional carriers on a responsible phase basis.

If you look at the statistics they suggest that CP Air has already given up three times as many route miles as Air Canada. Which should be the first airline to give up some route miles?

I note a headline in a February issue of the *Globe and Mail* with a picture of Claude Taylor beneath it, which states:

Air Canada president Claude Taylor believes that competition is a two-way street and warns that his airline will be a tough competitor.

That sounds good, but then we start picking up ads in different newspapers. Here is one that says "There's no better choice from Ottawa", and goes on to state:

If your business takes you west, take one of our business machines for the fastest, most frequent service.

Of course that is true because only Air Canada gives you one-stop through service each morning and evening to Vancouver. The ad goes on to state that only Air Canada gives you daily non-stop service to Calgary, and to Edmonton only Air Canada offers daily non-stops. To Winnipeg only Air Canada offers three daily non-stops.

Let us look at another recent advertisement with a picture of a large fleet of 20 DC9s flying from Ottawa to Toronto. The heading below the picture states "Up to 20 flights a day to and from Toronto". The ad itself goes on to state:

Flights every hour, every week-day, so it's easy to remember the schedule.

I am not attacking Air Canada. I am trying merely to point out here that the Toronto-Ottawa route should properly be viewed as a regional route, as should the Toronto to Montreal route. In fact on the Montreal-Toronto route Air Canada has 30 daily flights, CP has four, and other airlines offer four. On the Toronto-Ottawa flight on the daily "Rapidair" service Air Canada offers 20, once per hour, while other airlines offer four, and CP Air is allowed two. Something is very disproportionate here. This is not a transcontinental airline operation; this is a regional air service and ought rightly to be performed by a private sector airline.

We were all pleased to note that Air Canada is thinking of going private and, indeed, is about to pay or has recently paid its first return to the public purse, amounting to a 4 per cent return on the recent recapitalization of $330 million. I take Mr. Taylor at his word, and I think his record and performance as president of Air Canada have been outstanding, when he suggests the government might want to sell Air Canada. I submit that it should sell Air Canada immediately. It should sell the government's equity through recapitalization, that is, the $330 million used under the restructuring legislation approved by this House in the past year. I suggest that $330 million in capital equity ought to be sold to the private sector in the form of shares to let all Canadians have the chance to own a bigger piece of Air Canada at their discretion rather than by decree.

Finally, the third part of my motion recommends that permission be granted to CP Air to extend its transcontinental service to Halifax. In fact the minister responsible, the Minister of Transport, made a grandiose gesture last November to the effect that he had no objection to allowing the CTC to consider extending CP Air routes east of Montreal. This is very strange coming from the same minister who has delayed repeated requests from CP Air to have its applications received. Be that as it may, the minister has now condescended to receive the application from CP Air, but for the present CP Air is going through the monstrous task of filling out innumerable forms and filing innumerable affidavits in order to prepare itself to appear before the CTC to advance its cause. There again is an example of the problems which our private sector airlines have to contend with when they are dealing with transport regulations in this country—tedious, copious quantities of form filling and red tape.

Referring to the Halifax connection, as I understand it there is absolutely no potential conflict with services into Halifax provided by Eastern Provincial Airways out of Montreal. CP Air is applying for the right to serve Halifax from Toronto only, so it can, indeed, enjoy the title with Air Canada of a transcontinental airline, which means from one side of the continent to the other.

The petitions that CP Air has forwarded to the minister over many recent months have been supported by strong appeals from the chambers of commerce and the city council of Halifax. Indeed, there is no objection and, in fact, there is a strong desire on the part of locals in Halifax that this application be approved. Indeed, the people of Halifax were concerned during a recent Air Canada strike because they lost their service, and it is high time there was an alternative direct connection with Toronto.

In the long-term, CP Air envisages flights to Europe via Halifax. I believe the citizens of Halifax would welcome as long overdue the opportunity to fly to Europe without flying back to Montreal first.

Those are the three elements of my motion. I see I have about one minute left. I would just like to summarize by indicating that on this side of the House we believe that the Canadian Transport Commission has no clearcut regional air transportation policies, and the decisions it makes appear to be based on ad hoc guidelines. There are no specific operating guidelines. The onus seems to be on the applicants to devote tremendous time and cost to the preparation of copious forms and documents to support their applications.

We in the Progressive Conservative party when we form the government will undertake a program of controlled de-regulation. We do not advocate overnight de-regulation along the lines of the recent experiment in the United States, but when one looks to the success of that experiment one has to feel that perhaps there is a lot to be said for allowing much more competition among private sector airlines.

[*Translation*]

Mr. Raymond Savard (Verdun): Mr. Speaker, I am pleased to reply to the hon. member for Burnaby-Richmond-Delta (Mr. Siddon) who has moved a motion advocating greater competition for Air Canada. It has been moved that the government should take steps to end the near-monopoly of major national air routes by Air Canada; that private airlines should be permitted to compete on a more equitable basis with Air Canada, and, finally, that permission should be granted to CP Air to extend its transcontinental service to Halifax. I want to say, immediately, Mr. Speaker, that I consider the steps the hon. member for Burnaby-Richmond-Delta has proposed the government take have merit. Indeed, they have such considerable merit that the government has already taken the very actions proposed by him.

As long ago as 1976, it was recognized that certain changes of the kind proposed in the first part of the member's motion could and should be made with respect to Air Canada's role. That is why the government prepared new legislation concerning Air Canada. On October 28, 1976 a new "act respecting the reorganization of Air Canada" was given first reading in this House. The Air Canada Act, 1977, was subsequently assented to on February 2, 1978. That legislation served, among other things, to put Air Canada on the same basis as other carriers in obtaining licence authority for new routes before the Canadian Transport Commission. Or, as the hon. member has expressed it, this act permitted private airlines to compete on a more equitable basis with Air Canada. I will explain this in some detail later.

• (1620)

Having said that, Mr. Speaker, I would like to challenge the allegation that Air Canada has a "near-monopoly of major national air routes". I believe that the facts suggest otherwise and I will present some in a few moments to show why. Finally, Mr. Speaker, the hon. member moved that permission be granted to CP Air to extend its transcontinental services to Halifax. In fact, on November 7, 1978, the Minister of Transport (Mr. Lang) announced that the government has no objection to CP Air applying to the Canadian Transport Commission to operate into the Atlantic provinces, in conformity with the CTC's regulatory requirements.

I would like to examine the three parts of this motion in some detail, Mr. Speaker. I will begin with the first part of it: that the government should take steps to end the near-monopoly of major national air routes by Air Canada. I suggest that this part of the motion is more an allegation than a proposed action. It is an allegation that Air Canada does, in fact, have "a near-monopoly on major national air routes". I suggest that we should examine this allegation closely.

What is a "near-monopoly"? A monopoly is, literally, exclusive possession or control. So I suppose that a "near-monopoly" is exclusive possession or control of most, but not quite all, the major national air routes.

Next, we must try to determine what a "major national air route" is. There is no single accepted definition of a major national air route and I do not know what definition the hon. member may have in mind. I would therefore like to suggest three different ways in which "a major national air route" might be defined and to discuss these with reference to Air Canada's alleged monopoly of them.

One definition of a national air route—perhaps almost too facile a definition—is a route which stretches across the entire country, a route from sea to sea that links major cities on the east coast with major centres on the west coast. Let us look at a few examples of such routes to see just what kind of a monopoly Air Canada has. First, St. John's to Victoria: no carrier, of course, offers a direct flight between these two cities. It is necessary to make connections. Air Canada, as the national carrier, naturally provides a service between these two provincial capitals, connecting in Montreal or Toronto. But it is also possible to fly on Eastern Provincial Airways to Montreal—though, granted, not on a direct flight—and the rest of the way on CP Air. The same possibilities exist between Halifax and Vancouver.

Certain other east to west coast linkages are not, in fact, totally served by Air Canada. From, say, Charlottetown or Moncton to Prince Rupert or Kamloops, it is necessary to

travel on carriers other than Air Canada part of the way. This is because Air Canada is not intended to serve all centres. Under Canadian air transportation policy, other carriers are intended to serve such centres. This means that Air Canada cannot possibly have a near-monopoly on all east to west coast routes. More will be said about the roles of Air Canada and the other carriers later.

A second way of defining "major national air routes" would be to look at those city pairs which generated the greatest numbers of passengers travelling between them. In 1977, the latest year for which complete figures are available, the following city-pairs, in the order of their ranking, experienced the highest traffic volumes: Montreal-Toronto, Ottawa-Toronto, Calgary-Edmonton, Toronto-Vancouver, Calgary-Vancouver, Edmonton-Vancouver, Toronto-Winnipeg, Calgary-Toronto, Halifax-Toronto and Edmonton-Toronto.

I would like to examine each of these high traffic routes to see whether they are served by other scheduled air carriers or whether Air Canada has a monopolistic grip on the most highly travelled routes. First, Montreal-Toronto: this route is served by CP Air, Air Canada and Nordair. Second, Ottawa-Toronto: served by CP Air, Air Canada, Nordair, Great Lakes Airlines and Otonabee Airways. Third, Calgary-Edmonton: served only by PWA. Fourth, Toronto-Vancouver: served by CP Air and Air Canada directly and by Transair and PWA on an indirect service. Fifth, Calgary-Vancouver: served by CP Air, Air Canada and PWA. Sixth, Edmonton-Vancouver: similarly served by CP Air, Air Canada and PWA. Seventh, Toronto-Winnipeg: served by Air Canada and Nordair. Eighth, Calgary-Toronto: served directly by CP Air and Air Canada, and by Transair and Nordair on an indirect service.

Ninth, Halifax-Toronto: served by Air Canada at present, but both CP Air and EPA have expressed interest in serving this route. And, as I mentioned earlier, the Minister of Transport has specifically announced that the government would have no objection to CP Air applying to the Canadian Transport Commission to operate into the Atlantic provinces.

Tenth, Edmonton-Toronto: like Calgary-Toronto, served directly by CP Air and Air Canada, and by Transair and Nordair on an indirect service.

● (1630)

Mr. Speaker, I have just described the scheduled air services available on the ten most travelled air routes in the country. On nine of those routes Air Canada has at least one competitor. On the tenth, Toronto-Halifax, there is a good possibility that Air Canada will soon have competition. I ask: is this evidence that Air Canada has a near-monopolistic grip on major routes in this country?

If some members of this House remain unconvinced that Air Canada does not have competition on "major national air routes", let me cite a third way of defining such routes. This definition is in terms of route length. Those routes which it is most appropriate that the national carriers—Air Canada and CP Air—serve are obviously the long-haul and medium-haul routes, say, all those over 500 miles, as measured by great circle mileages. Although I might mention, parenthetically, that under Canadian air transportation policy, the regional air carriers have been given authority for certain long-haul routes, notably in the north.

I would like to cite a random selection of medium and long-haul routes, excluding those I have already mentioned, and to indicate, as I just did for the most travelled routes, which carriers serve these routes.

First, Gander-Halifax; 506 great circle miles: served by Air Canada and EPA.

Second, Montreal-Windsor; 509 great circle miles: served by Air Canada and Nordair.

Third, Edmonton-Winnipeg; 738 great circle miles: served by Air Canada and Transair.

Fourth, Wabush-Montreal; 600 great circle miles: served by Québecair.

Fifth, Yellowknife-Edmonton; 633 great circle miles: served by PWA.

I could continue with examples, Mr. Speaker, but I believe the point is made once again. On what might logically be defined as "major national air routes", Air Canada simply does not have a monopoly—or a near-monopoly. It has competition.

Mr. Speaker, having pointed out that Air Canada does have competition on major national air routes, I would like to provide some background concerning Air Canada and its evolving role and the evolving nature of the air transportation industry in general. I believe that this background may provide some explanation as to why the hon. member felt that Air Canada has a near-monopoly position on major air routes. Certainly this was the case at one time but, as I am going to explain, there were valid reasons for this situation.

Air Canada was, of course, originally known as Trans-Canada Airlines and incorporated under the Trans-Canada Airlines Act, passed in 1937. Trans-Canada Airlines was established as a Crown corporation specifically to serve as the national air carrier—a leader, a pioneer and developer in making air services available across the country. TCA was also to provide efficient services without a government subsidy.

The history of TCA—which became Air Canada in 1965—has been one of almost continuous growth. In 1939, TCA linked Vancouver and Montreal for the first time with a scheduled passenger air service, using small Lockheeds. The next year, it extended its budding transcontinental services to Moncton. In 1941, it achieved sea to sea service with the start of flights to Halifax. After the war, TCA continued its development of domestic services as well as transborder and international services. In the 1950s, it had acquired the Super

Constellation, seating 75 passengers and in 1955 became the first North American airline to introduce the comfort and speed of propeller turbine aircraft when the first of 51 British-built Vickers Viscounts was introduced on Canadian routes. In 1960, Air Canada introduced the commercial jet age to Canada when it started using the DC-8 from Vancouver to Montreal.

During the 1960s, Air Canada retired many of its early piston-engine aircraft and became the first airline in North America with an all-turbine fleet. In 1971, Air Canada introduced the first wide-body jet on its routes, the Boeing 747.

I have mentioned these vignettes of Air Canada's history in order to convey a sense of how it has changed in the forty years since it was established. At the same time, the entire Canadian air transportation industry has evolved as well.

After a study in the late 1950s by a British transport expert, Mr. Stephen Wheatcroft, competition was allowed on certain routes. But in a policy statement in 1964, the then Minister of Transport, Mr. Pickersgill, stated that:

> In the domestic mainline field, while the principle of competition is not rejected, any development of competition should not compromise or seriously injure the economic viability of TCA's main line domestic operations which represent the essential framework of its network of domestic services. In other words, there must not be the kind of competition which would put TCA into the red; and, in the event that competition continues, the air transport board should ensure an opportunity for growth to both lines above this basic minimum.

These words may sound unnecessarily cautious, but I think that we should remember that, if one airline can handle the available business—as Air Canada was generally doing—and another carrier is introduced in order to provide competition, it follows that the profits of the original carrier will decline. Indeed, profits would decline sufficiently to "put TCA into the red", as Mr. Pickersgill mentioned.

The mid-1960s were a time of substantial change in the Canadian air carrier industry. During this period, the regional air carriers started to become an increasingly important force within the aviation industry. In 1966, this role was clarified in a policy statement by the Minister of Transport, who stated that:

> The role of regional carriers is to operate regional routes to supplement the domestic mainline operations of Air Canada and CPA and to provide regular and scheduled service into the north. They will not become directly competitive on any substantial scale with the two mainline carriers. Routes which because of volume of traffic, size of airports and related facilities, or suitable type of aircraft, do not fit the type of mainline operations of Air Canada or CPA will be reserved for regional carriers or, in some cases, may be transferred to them. The principal deciding factor should be the nature of the route. The Air Transport Board will be responsible for determining what routes are suitable for the regional carriers. Regional carriers will be expected to operate on a regional basis and will not be authorized to expand as potential transcontinental carriers. While rigid definition of boundaries for any one regional carrier is neither practical nor desirable, the main operations of each carrier will be carried on in one region.
>
> Economic and efficient operation of a regional route pattern may in some cases involve competition with Air Canada or CPA on a mainline route segment. In such cases, the regional carriers can be authorized to be operated in competition with Air Canada or CPA.

[Mr. Savard.]

I would now like to refer to the second part of the hon. member's motion, in which he asked that private airlines be permitted to compete on a more equitable basis with Air Canada. It is correct that, at one time, other carriers were not on quite the same footing as Air Canada. This is because Air Canada's behaviour was governed by the Air Canada contract with the federal government. By virtue of this contract, pursuant to section 14 of the Air Canada Act, Air Canada provided domestic service outside the Canadian Transport Commission normal regulatory powers.

The Acting Speaker (Mr. Ethier): Order. I regret to interrupt the hon. member, but the time allotted to him has expired.

[*English*]

Mr. Ellis: I rise on a point of order, Mr. Speaker. I realize this is an indulgence. The hon. member made a list of things and there was one that did not come through to me very clearly. I wonder if I could have that information.

The Acting Speaker (Mr. Ethier): This could be granted with the unanimous consent of the House, since the hon. member has taken his 20 minutes.

Mr. Lachance: On that point of order, Mr. Speaker, if I understood the hon. member, he did not specify what sentence he was referring to, and I suggest the hon. member who just spoke could give a copy of his speech to the hon. member opposite.

● (1640)

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, if there are other members who are anxious to speak in this debate, I assure them that my remarks will be very brief. In other words, there will be time for others before five o'clock.

Let me say it comes as no surprise to me when a member of the Progressive Conservative party wants to expand the role of private enterprise in our airlines system, and in so doing to cut down on the role of the publicly owned line known as Air Canada. That is in keeping with the philosophy of that party, and it is to be expected that that point of view would be presented by them in this House.

As a matter of fact it was when the present member for Prince Edward-Hasting (Mr. Hees) was the minister of transport that, for the first time, a line other than Trans-Canada Airlines, as it was known then, was given rights on the transcontinental route. So the proposal being put forward today is simply an extension of Conservative philosophy. However, I must say that I feel quite disturbed and unhappy when I hear a spokesman from the Liberal side of the House say that there is merit in this motion and that there is much in it that the government is already doing.

I am even more disturbed when I read in newspapers and when I hear the hon. member for Burnaby-Richmond-Delta (Mr. Siddon) quote a statement made by Mr. Claude Taylor,

president of Air Canada, that maybe the time has come to sell off the publicly-owned airline.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I trust that some way or another, and I will see to it right now, that the applause in response to what I said was not applause for me; it was Tory applause, for the idea that Air Canada should be sold. We, in this party, are thoroughly opposed to that. The reason I decided to take a few moments during this hour is to make my plea to the members of the Liberal party not to go Tory, not to go back on what they have done in building up a national airline in Canada.

Mr. Ellis: With Bryce Mackasey in charge?

Mr. Knowles (Winnipeg North Centre): I realize that my friend hits me at a weak point when he mentions Bryce Mackasey. But he has not stayed in any job very long, so let us not worry too much about that.

Members are used to my getting into debates and reciting ancient history, but it is usually in my favourite field of pensions that I do this. But there was some other ancient history going through my mind this afternoon. My friend from across the way referred to the organization of Trans-Canada Airlines in 1937—that was before I was here in this House—but in the middle 1940s we had quite serious discussions about post-war civil aviation policy. We had a policy laid down by the then prime minister, the Right Hon. William Lyon Mackenzie King, and we had some interesting contributions made by the minister who was in charge, namely, the Right Hon. Clarence Decatur Howe.

I remember very well—I am trying to think what year it was but I cannot recall if it was just before the end of the war or just after it, but it was certainly in the middle forties—Mr. Howe standing up and telling us he had tried his best to get the Canadian Pacific Railway to come in with the Canadian National Railways on the organization of Trans-Canada Airlines. But, said Mr. Howe, Canadian Pacific was not interested. Why? Because there was no money to be made in the operation at that time. That is what drove C. D. Howe to a form of public ownership, namely, establishing Trans-Canada Airlines under full public ownership.

An hon. Member: C. D. Howe was a great man.

Mr. Knowles (Winnipeg North Centre): He was a great man in many ways. We who sat opposite him fought him, but we had great respect for him. In this area he was absolutely right. Recalling that attitude on the part of Canadian Pacific when they refused to come in to help build up an airline or give service to the country, I am not greatly impressed by CP Air's desire now to serve the country by getting additional routes and becoming a transcontinental airline challenging the position of Air Canada. So I say, Mr. Speaker, that my worry today is not at all what the Tories say. They are being true to form. But my worry is that the Liberals might pay some attention to what Mr. Claude Taylor has said. I hear a Liberal member say no to that. That is good.

I am also worried about the legislation that was put through last year and which my friend, the hon. member for Fort William (Mr. MacRae), disliked as much as some of us did, which put profit as a major element in the operation of the airline. The Minister of Transport (Mr. Lang) said yesterday that he hoped he would not offend us over here in the New Democratic Party by saying Canadian National Railways and Air Canada are now making a profit. That does not offend us at all. But what does worry us is the notion too many Liberals seem to have, that because these lines are making a profit mabye we should now turn them over to private enterprise. No, Mr. Speaker, a thousand times no! Public ownership in this area has served the people in this country tremendously, and we think it should stay that way.

An hon. Member: I agree.

Mr. Knowles (Winnipeg North Centre): That is one member, and I hear one over here. Let me count. There are six votes.

An hon. Member: Name those Liberals.

Mr. Knowles (Winnipeg North Centre): I have six Liberals, all good members of the Friday afternoon club, who agree with me. There are not six Tories here to say no, only five. So, six Liberals and I make seven. There are only five Tories, so we win the day—

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): —for public ownership of Air Canada.

Mr. Geoff Scott (Hamilton-Wentworth): Mr. Speaker, as a new boy, and one of the members of the Friday afternoon club—

An hon. Member: Welcome! We have being doing it for 15 years.

Mr. Scott (Hamilton-Wentworth): —I rise with some trepidation when I follow such a distinguished veteran member of the House of Commons as the hon. member for Winnipeg North Centre (Mr. Knowles). But I have to say that I will look in *Hansard* at the first paragraph in his intervention in this debate because it expresses precisely what the Progressive Conservative party stands for and precisely our opposition to this stand that our frieds to the left take in this case.

However, I rise to support in principle the spirit of this motion by my colleague, the hon. member for Burnaby-Richmond-Delta (Mr. Siddon) specifically, and very briefly, because it is rather late on Friday afternoon, but I want to deal with that section of his motion which reads:

> Permit private airlines to compete on a more equitable basis with Air Canada.

Hon. members will know, since I am sure that all my colleagues read all speeches made in *Hansard* as diligently as I

do, that I have voiced concern in this House about Air Canada taking over Nordair, a highly successful privately-owned regional airline and one which provides an essential service to southern Ontario and to my own area of Hamilton. Indeed, it has now been extended to the city of Winnipeg, the home of the hon. member for Winnipeg North Centre.

Hon. members will also recall the high and heavy flak which the government received from many sources, such as the airline industry, the private sector, employees of Nordair, and especially the media whose editorials roundly condemned the idea of a big government airline which has enough of its own troubles, diluting the effectiveness and crippling the entrepreneurial efficiency of a privately-owned regional operation like Nordair. There were even fears in my area that Hamilton's service would not only deteriorate with Air Canada's absorption of Nordair, but that the government-owned airline might one day need to consolidate its operations and we could lose the kind of valuable service that Nordair provides to our area, altogether. I have since had those fears put to rest by persons I trust who are knowledgeable in the field. As the industrial capital of Canada, Hamilton and its civic airport will continue to enjoy some ongoing and perhaps expanded regional air service to serve southwestern Ontario, northern New York State, and perhaps a direct Hamilton-Winnipeg route.

● (1650)

The question that still remains, and it is very germane to this debate, is what is Nordair's future now that Air Canada has been given a mandate by the government to reprivatize the regional carrier within the space of a year from last October. What will the eventual role of Air Canada be as the government agent in this sale? How will Nordair, and in the larger context Air Canada, fit into the government's over-all rationalization of the several regional carriers in central and eastern Canada?

With this government's recent stampede to the right, and its determination suddenly to honour the private sector of this country's economy, I cannot believe that it will not use every chance to continue its inevitable encroachment on free enterprise in Canada. The thinking of this administration has always been that the government can do better. What the Liberals and our friends to the left do not tell us is the corollary of this, that it is the extended version of Murphy's law. If something can go wrong, it will, only the Canadian taxpayer has to foot the bill. I am not saying that any government involvement is wrong. In the case of Air Canada's participation and Ottawa's over-all plan for rationalizing the airlines, a limited role is desirable.

For many years I have been a supporter of Air Canada in the national role that this parliament has given it to perform. It does not always do that well. Until recently, labour-management relations have been lousy.

I approve of some Air Canada participation in our national airline transportation system. For example, some of the applicants who want to buy Nordair, such as Great Lakes, Quebecair, plus other regional airlines in eastern Canada such as Eastern Provincial Airways and Nordair itself—all have their reservations systems run by Air Canada. My information is that almost without exception every applicant for Nordair has stipulated that they want Air Canada's participation to the extent of 10 per cent to 15 per cent to 20 per cent. Therefore, there is a desire to see Air Canada maintain a role in regional and third carrier operations for the sake of continuity, experience and, to a certain extent, security. However, I emphasize that whatever emerges from the hot and heavy negotiations now going on in Montreal, I would be concerned about the over-all Air Canada involvement in a regional air service.

Like my colleague from Burnaby-Richmond-Delta I too take Air Canada president Claude Taylor as a straightforward, objective, and tough negotiator. The problem I am told that Mr. Taylor faces, and something that should concern our party and indeed the Canadian people, is this. None of these applicants really have enough money to put together a whole regional airline which stretches from Newfoundland to Winnipeg. The capital base for such a carrier with common equipment, 737 aircraft, could be in excess of $100 million. However, the Minister of Transport (Mr. Lang) still thinks there should be a great megalopolis of a regional carrier which stretches from Newfoundland to the Great Lakes and beyond. On the other hand, people I have talked to feel there is a definite autonomous desire on the part of Ontario interests, Quebec interests and Atlantic Canada.

In conclusion, I intend to ask the Minister of Transport at the earliest opportunity, on Monday if he is back in the House, whether he will allow his rationalization of regional airlines to proceed along a regional and geographical basis, that is, autonomously owned and operated regional services in Ontario, Quebec and Atlantic Canada, or whether the minister is determined to go with one single regional carrier with the commonality of equipment from St. John's to Winnipeg. I will also be asking the minister about the widely rumoured merger of Quebecair and Nordair, to be headquartered in Montreal.

There is one other fear that has been expressed to me and which I voice to the House at this late hour. Given this government's financial and labour management record with many of its Crown corporations, there is a fear on the part of many people that if Air Canada cannot find a satisfactory buyer, the Government of Canada might resort to setting up yet another Crown corporation to oversee all the regional airlines in eastern and central Canada. That would be tragic.

In short, we on this side look forward to hearing before this parliament comes to an end the transport minister's long promised and eagerly awaited policy on just how much scope the government will allow private regional operations in eastern and central Canada to carry on, and just how much competition Nordair, Quebecair, Great Lakes and Eastern Provincial Airways from whatever emerges out of this rationalization policy will be allowed with the very firmly established government-owned airline, Air Canada.

Mr. Paul E. McRae (Fort William): Mr. Speaker, there are only two or three minutes remaining, but I am very anxious to

take part in this debate. I do not know how often I have stood on the floor of this House over the past six years to defend Air Canada against those who would nationalize, privatize it, or just disband it. The hon. member for Winnipeg North Centre (Mr. Knowles) need not worry that we are going to let Air Canada disappear as the Tories would have happen.

We never hear from those on the other side that the province of Alberta had no business nationalizing an airline, that it had no business buying enough pieces to put together the better part of a national airline. That kind of socialization and nationalization is fine.

When PWA bought out Transair, which serviced Thunder Bay, because of the idea of only having two national carriers, this almost forced Nordair into government hands. The Tories must decide whether theirs is a party for the good of this country or just to deal with and support provincial aims.

I have a great deal of concern about the statement attributed to Mr. Taylor. It is not the kind of thing that should be said by the president of a Crown corporation. He was in fact stating policy, which should be stated by the government. If the minister has not already done so, I hope he will speak to Mr. Taylor and put him straight on this point. I am also sure that Mr. Mackasey, a close personal friend, will speak to Mr. Taylor along this line.

[*Translation*]

The Acting Speaker (Mr. Ethier): Order, please. The hour provided for the consideration of private members' business has now expired. It being five o'clock, this House stands adjourned until Monday at 2 p.m., pursuant to Standing Order 2(1).

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

HOUSE OF COMMONS

Monday, February 26, 1979

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

BEREAVEMENT

EXPRESSION OF DEEP SYMPATHY TO FAMILIES OF MINERS KILLED AND INJURED IN COAL MINE EXPLOSION AT GLACE BAY, N.S.—MOTION UNDER S.O. 43

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgency and with a great deal of sorrow.

I ask through you, sir, seconded by the Minister of Regional Economic Expansion (Mr. Lessard):

That the members of the House of Commons extend to the families of the men killed in the coal mine accident at No. 26 Colliery, in the town of Glace Bay, Nova Scotia, on Saturday, February 24, 1979, their deepest sympathy in this tragic moment of their lives and express the hope that the surviving miners will pull through their terrible ordeal.

Mr. Speaker: Introduction of such a motion at this time requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion moved by Mr. Hogan and seconded by Mr. Lessard. Is it the pleasure of the House to adopt the motion?

Motion agreed to.

* * *

HOUSE OF COMMONS

EXPENSE INCURRED IN TRANSPORTING LIBERAL MEMBERS TO PRINCE EDWARD-HASTINGS, ONT.—MOTION UNDER S.O. 43

Mr. J. R. Ellis (Hastings): Mr. Speaker, under Standing Order 43, I move, seconded by the hon. member for Prince Edward-Hastings (Mr. Hees):

That this House request the Liberal party to pay the $4,000 plus that it cost the taxpayers to transport six members of the Liberal caucus, namely, the hon. member for Peterborough, the hon. member for Windsor-Walkerville, the hon. member for York South and the hon. member for Peel-Dufferin-Simcoe, in a Department of Transport executive Viscount aircraft and have a full crew standing by all day today so that those members can spread political propaganda liberally in that area, it being particularly a waste of time since the good people of Prince Edward and Hastings counties are not in any way taken in by such nonsense.

Mr. Speaker: Is there unanimous consent for the introduction of the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PUBLIC WORKS

PROTEST AGAINST GOVERNMENT OCCUPANCY OF LE DIPLOMATE—MOTION UNDER S.O. 43

Mrs. Jean E. Pigott (Ottawa-Carleton): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

Because there has been the allegation of external pressure in the dispute between the National Capital Commission and Phillipe St-Cyr, the owner of Le Diplomate, and 21 witnesses have been named, including the Minister of State for Urban Affairs and Minister of Public Works, the President of the Treasury Board and the Chairman of the National Capital Commission, I move, seconded by the member for Central Nova (Mr. MacKay):

That the Minister of Public Works rescind the order in council issued giving the federal government permission to occupy Le Diplomate and abide by the court's decision in order that justice both be done, and be seen to be done.

Mr. Speaker: Introduction of such a motion for debate at this time can be done only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CONSUMER AFFAIRS

CALL FOR MEASURES TO RESTRAIN RISING FOOD PRICES—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): In view of two reports released over the weekend, one by the AIB showing that food prices in 1978 escalated by 21 per cent, the other by Statistics Canada showing that the average weekly wage increased by only 6.4 per cent, meaning, with a 9 per cent increase in the cost of living, a decrease of $340 for the year in

purchasing power, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House calls upon the government to bring in measures to restrain rising prices and, furthermore, urges specifically the reinstatement of federal subsidies on bread and milk to alleviate the burden of food costs faced by Canadian families.

Mr. Speaker: Introduction of such a motion for debate at this time can be done only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

AGRICULTURE

REQUEST FOR RETRACTION OF MINISTER'S STATEMENTS CONCERNING SALMONELLA OUTBREAK IN QUEBEC AND FEED FROM MANITOBA—MOTION UNDER S.O. 43

Mr. Jake Epp (Provencher): Mr. Speaker, I rise under the provisions of Standing Order 43.

In view of the statements made on February 15 by the Minister of Agriculture that bacteria infected feed from Manitoba caused a salmonella outbreak in Quebec, and in view of the fact that tests now concluded have proven that the infected feed did not originate in Manitoba, but in Quebec, and in view of the fact that these statements of the minister are damaging the reputation of Manitoba's feed industry. I move, seconded by the hon. member for Lisgar (Mr. Murta):

That the Minister of Agriculture retract his unfounded statements and extend apologies to the members of Manitoba's agricultural community.

Mr. Speaker: The motion can be presented for discussion at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

ENERGY

REQUEST FOR GOVERNMENT MEASURES TO PREVENT OIL SHORTAGE IN QUEBEC—MOTION UNDER S.O. 43

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, I rise under Standing Order 43 to ask for the unanimous consent of the House to present a motion regarding an urgent and important matter.

In view of the fact that oil companies have exported refined oil and that Esso has diverted to the American market oil which was intended for Canada, I move, seconded by the hon. member for Mercier (Mr. Boulanger):

That the Minister of Energy, Mines and Resources take appropriate action so that Quebeckers not be deprived of oil.

Mr. Speaker: Order, please. The House has heard the terms of the hon. member's motion. Under Standing Order 43, this motion cannot be presented at this time without unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

NATIONAL REVENUE

INCOME TAX RETURNS—RIGHT OF CANADIANS TO CONFIDENTIALITY—MOTION UNDER S.O. 43

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, I rise on a matter of urgent and pressing necessity, under the provisions of Standing Order 43, involving the security and confidentiality of tax and statistical data supplied by Canadians in trust to their government.

Since it has been demonstrated that tax and statistical information has been left open to public inspection, and that the responsibility rests with the cabinet and particularly with the departments of National Revenue and Industry, Trade and Commerce, I move, seconded by the hon. member for Central Nova (Mr. MacKay):

That the tax and other forms be examined by qualified officers to ascertain how many Canadians were affected by having their forms left under such carelessly exposed conditions and notified so that they are made aware of the situation in case any complications occur from unauthorized access to the information on their returns.

Mr. Speaker: Presentation of such a motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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SHIPBUILDING

REQUEST FOR IMPROVED FACILITIES AT GREAT LAKES' SHIPYARDS—MOTION UNDER S.O. 43

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, I rise under the provisions of Standing Order 43.

In view of the fact that in the government's recently announced program to assist the lagging shipbuilding industry in Canada, it is quite evident that most of this assistance is slated for the east and west coast shipbuilding industries to the almost complete disregard of the shipbuilding industries in the

Great Lakes area, I move, seconded by the hon. member for Hamilton-Wentworth (Mr. Scott):

That the government take immediate steps to correct this injustice and that applications for assistance from the shipbuilding industries on our Great Lakes be given the same earnest consideration and the same priorities as those from the shipbuilding yards on our coasts.

Mr. Speaker: In accordance with the provisions of Standing Order 43, presentation of such a motion for debate at this time requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF SPEAKER OF THE LEGISLATIVE ASSEMBLY OF THE STATE OF VICTORIA, AUSTRALIA, SIR KENNETH WHEELER AND CHINESE TRADE DELEGATION HEADED BY ZHANG JIAN HUA

Mr. Speaker: Before beginning the question period, may I ask hon. members to join with me in welcoming in the Speaker's Gallery two distinguished visitors, first, the Speaker of the Legislative Assembly of the State of Victoria, Australia, Sir Kenneth Wheeler.

Some hon. Members: Hear, hear!

Mr. Speaker: Second, a Chinese delegation here to sign a three-year wheat agreement, which is headed by Zhang Jian Hua.

Some hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

INDUSTRIAL STRATEGY RECOMMENDED BY SCIENCE COUNCIL—MINISTER'S POSITION

Mr. John C. Crosbie (St. John's West): Mr. Speaker, in the absence of the Prime Minister and the Minister of Industry, Trade and Commerce—who are probably discussing whether the Prime Minister was sinful or not by going south—I have a question for the president of the economic board of refugees.

● (1415)

First, I want to know whether the minister has examined the study "Forging the Links," of the Science Council of Canada. If so, does he have a comment on the situation they describe on page 17 "as a massive failure of the country's industrial system", that imports have grown from 26 per cent to 31 per cent of our Canadian market—that imports grew to 31 per cent up to 1977—and our exports are declining relatively, and that we are moving from an industrialized economy to one based on the export of raw materials?

Has the minister studied this report? Did he read it before he stated and came to the decision that Canada should have no coherent industrial strategy which the Science Council of Canada recommends?

Hon. Robert K. Andras (President of the Board of Economic Development Ministers): Mr. Speaker, the hon. member is, again, making distortions out of any comments I made. Yes, the report to which he referred is a matter of very important significance to the government. It is being studied most carefully.

With regard to the question of imports, the hon. member might be interested to know that in the last two years the growth of import penetration in Canada is the smallest of 11 OECD countries, which is a source of some comfort to us.

With regard to the development of industrial strategies, we have been, and will continue to be, diligent in working toward that end.

Mr. Crosbie: I realize the minister is being diligent, Mr. Speaker, but he has not come up with any industrial strategies that the Science Council of Canada know about. The Prime Minister said to help him, he is in trouble, but we want Canada helped because Canada is in trouble as a result of this ten years of inaction.

Would the minister comment on page 24 of the report where the Science Council deals with the question of invisible trade, items such as transport services, tourism, investment income and payment on the debt which has risen, by the way, from $1.5 billion in interest on our foreign debt to $4.8 billion which is estimated this year—and it will be worse in the future. They state that of 25 industrial countries, Canada is twenty-fifth in the contribution of invisible trade items to our trade account.

Will the minister tell the House whether he has now developed any strategy in dealing with this desparate situation, other than the strategy of borrowing $8 billion or $9 billion abroad to add to that tremendous deficit? What is his strategy for dealing with this?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, I think the hon. member is referring to the deficit in the current account. I have, of course, said that we have a current account deficit that is quite significant in Canada. Traditionally, we have opted for investment from abroad.

Canada is a country that has been developing over the past 110 years through borrowing from abroad. We are, in fact, a developing nation with a lot of infrastructure to put in place. It has been traditional for Canada to borrow abroad. Therefore, that is what we are doing at this time. I think this policy has served Canada very well for a long time.

Mr. Crosbie: Mr. Speaker, the minister has not answered my question. I will ask his deskmate, the President of the

Board of Economic Development Ministers—who is now supposed to head this area—what specific policies the government is developing to overcome this tremendous deficit on the invisible trade account, particularly in view of the fact that the study has found that in the sectors of our manufacturing which utilize high technology, we are in a very serious deficit situation and our surplus in exports is really from raw materials and crude and processed resource material.

In view of this, what are the minister's promises? His deskmate is borrowing billions more abroad and there will be very much higher interest payments. How is the minister going to overcome that on the trade surplus or the surplus side of our international balance of accounts? If not, the Canadian dollar is doomed to even worse decreases. What is his answer to this?

Mr. Andras: Mr. Speaker, one of the greatest dangers to the Canadian dollar is spurious comments like that of the hon. member and some of his colleagues. There is a great deal of encouragement to be taken from the increase in our export merchandise trade balance which will reach $3.5 billion this year with every sign, over and above the advantage the Canadian dollar gives us for exports these days, of a vast improvement in the competitive position of Canadian manufacturing. That fact is well known to the manufacturing industry and is a matter of their comments in recent consultations and public statements by them.

I really believe the hon. member would serve the country much better if he would give some kind of hope based on facts that are well known and well established. If he wants to deal in facts of three or four years ago and peddle those across the country, he is not encouraging optimism or investor confidence in this country.

● (1420)

INTEREST PAID ON NATIONAL DEBT

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I should also like to direct my question to the minister in charge of the BED ministers of this cabinet: it centres on the question of an industrial strategy.

Does the minister agree with his counterpart, the President of the Treasury Board, that it is not the quantum of national debt that worries him but, rather, the amount of interest we are paying on it? I ask this question bearing in mind that just before this government took power, the total interest portion of the national budget was about 9 per cent, compared to 16.5 per cent now.

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, this question was handled by the President of the Treasury Board quite efficiently last week when he explained to Canadians that, of course, we have a large debt in Canada but that in relation to what the debt was in 1962 in terms of percentage of gross national product, the proportion of Canadian debt at this time has dropped from 30 per cent to 23 per cent, and that is a good achievement.

[Mr. Crosbie.]

Mr. Stevens: Mr. Speaker, if the minister in charge of the BED ministers does not wish to reply, perhaps I could put my supplementary question to the Minister of Finance, the minister who has attempted to justify the $62 billion net debt of this country at the present time.

Following the pattern set in the United States and in the United Kingdom, will the minister give us a five-year overview in relation to expenditure and revenue figures in Canada with a view to establishing what, in fact, will be the borrowing needs of this government this year and for the ensuing four years, bearing in mind that Wood Gundy points out that the total borrowing requirement of this government for this year and the next four years will amount to $55 billion?

I would like the minister first to indicate whether he confirms this five-year forecast and, second, will he confirm that $55 billion is, in fact, the amount the government will likely be borrowing if its plans are carried out?

[*Translation*]

Mr. Chrétien: Mr. Speaker, each year we table before the House a budget which includes the government's expenditures and revenue. We are fully aware that the service of our debt is presently quite costly and that our requirements for liquid assets of $10.7 billion are very high. That is why over the last three years we have undertaken to cut back our expenses, and I am certain that the hon. member will agree with me that our deficit should not increase; also I hope that he will not endorse the statements made by his leader who has gone across Canada recommending tax cuts that would increase the deficit by $6 to $7 billion next year.

* * *

[*English*]

CONSUMER AFFAIRS

REASON FOR INCREASES IN FOOD PRICES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs.

On the weekend, the Anti-Inflation Board produced figures showing that food prices went up a full 21 per cent over last year. In view of the fact that this is the biggest increase in the history of indexing, and considering that this process is continuing day after day, will the minister explain why flour prices—which affect the price of so many food items, including bread—have gone up, according to the same report, by a full 25 per cent in the past two months, when the removal of the federal subsidy should have meant a price increase much lower than that?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, according to the AIB report, the reason for food price increases is, as we have been stating all along, the increase in the price of beef, fresh fruits and vegetables and of bakery products.

The increase in the price of fruits and vegetables in part is due to the difference in the value of our dollar and the American dollar, particularly during the winter when these commodities are imported. The increase in the price of beef, as is well known, relates to the beef cycle. We have been trying to encourage people to move to alternatives to beef, especially pork, the price of which has been very good in recent weeks.

● (1425)

On the question of flour and bakery products, we estimated that the removal of the subsidy should result in an additional cost of seven cents on a standard loaf of bread. I have not been able to analyse the figures with respect to flour. I think the hon. member referred to bakery flour, and I would have to analyse the figures which he gave and of which I have not had notice. However, I will be pleased to do that and get back to him.

Mr. Broadbent: Mr. Speaker, as usual, the minister is going to set up another study to investigate some price increase. It would be nice for him to come to the House just for once having conducted an investigation of the matter about which he is almost certain to be asked.

The Anti-Inflation Board also confirmed at the weekend that chicken retail prices went up some 35 per cent in the past year, more than twice as much as the farmer received. Since this question was raised with the minister in the House by one of my colleagues more than a week ago, will he now confirm that in the case of chicken prices the middlemen simply increased their profits on chickens by increasing chicken prices to correspond with beef price increases, even though there were not real increases in the cost of chicken production to correspond with increases in the cost of producing beef?

If there is profiteering in this area—and all the evidence seems to indicate that there is—will the minister do something such as rolling back price increases for chicken?

Mr. Allmand: Mr. Speaker, it is very easy for the hon. member to come to the House every day to ask questions without giving notice. I have pages and pages of briefing here on food price increases, but the hon. member always manages to come up with some obscure question.

Some hon. Members: Oh, oh!

Mr. Allmand: Almost any fool can put a question in the House, but a worth-while answer requires some analysis of statistics. The hon. member puts questions, not to gain information but merely to embarrass.

On the hon. member's question with respect to chickens, there is no doubt that the price of chicken and poultry has increased following the phenomenal rise in beef prices. Because there has been a shift to alternative sources of protein, demand is greater than supply and under market conditions the price of chicken will increase.

As the hon. member knows, there are marketing boards for chicken and turkey, and we hope measures will be taken to increase quotas for those two items so that there will be a greater supply and, therefore, a lowering of prices.

Mr. Broadbent: Mr. Speaker, not just any fool would give that answer; it takes a particular fool on the government side.

Some hon. Members: Oh, oh!

Mr. Broadbent: If the minister considers a question about chicken prices to be obscure, I would like him to go out into the streets of Ottawa and talk to typical housewives and ask them if the question is obscure. The minister has had notice of that question for more than a week. He was asked this same question. He has produced no answers. It is very clear—

Some hon. Members: Order.

Mr. Speaker: Order, please. The hon. member realizes that I consistently extend to him the opportunity to ask questions at the beginning of every day. However, he now seeks an opportunity on a final supplementary both to ask a question and to make an argument. Now I suppose the hon. member seeks to put another question. He should get to it very directly.

Mr. Broadbent: Mr. Speaker, I will come to the question. Considering that for more than three weeks the minister has not brought about one rollback in price increases, will he now honestly state to hon. members on this side of the House as well as to the people of Canada that the government has absolutely no intention of doing anything about escalating prices in any sector of the economy?

Mr. Allmand: Mr. Speaker, the hon. member says he gave me notice about flour prices. He did not. The notice I received was with regard to a question about bread prices. There are many aspects of the milling industry about which one could put questions and it is impossible to have all the statistics and figures here in the question period without notice.

The hon. member knows that with the phasing-out of the AIB there is no power in the government to roll back prices. There may be measures which could be taken to moderate price increases, and the government is considering measures which might do that, but we have no rollback power. The hon. member knows that, and he opposed that. Furthermore, he puts forward very facile suggestions for action without even considering what fallout there would be on many other sectors of the Canadian economy.

* * *

● (1430)

THE CANADIAN ECONOMY

HIGH INTEREST PAID ON FOREIGN BORROWINGS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I listened to the Minister of Finance a moment ago going back to 1962, and it impels me to ask him, as Minister of Finance in a totally bankrupt government, a question. Today, the deficit is approximately $11,000 million because of a

government which had engaged in squander-mania all across the board. That amount had to be borrowed and it is costing the Canadian people $5 million a day in interest.

I would like the minister to explain that and to produce his alibi for a situation which indicates that our country is virtually in a state of bankruptcy.

Some hon. Members: Oh, oh!

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, as I just said, the ratio between the GNP and the debt in Canada has gone down from 33 per cent in 1962 to 23 per cent today. That is a fact.

Some hon. Members: Hear, hear!

Mr. Chrétien: If hon. members do not like me to speak about 1962, I can go back to 1958, which was worse.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Mr. Speaker, the Minister of Finance has been singularly free of questions on my part during the session even though I have listened to his obvious alibis. I ask him to answer this question: Is it not a fact that today it costs the Canadian people, because of the squander-mania and the waste of this government causing a deficit of $11,000 million, $5 million a day in interest?

Mr. Chrétien: I think that the borrowing of this government abroad is not more expensive than borrowing inside Canada. As the right hon. member knows, when we borrow for exchange purposes this money goes into the fund and is reinvested in U.S. government securities. On some days the cost of the money we borrow is no more than the revenue we are receiving. Last week I gave the committee a letter about this. I will make sure that the hon. member receives a copy of it. He can read it and he will have good reason not to ask me any more questions.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Why does the minister not answer the question? I produced the truth, and he is afraid to admit it.

* * *

[*Translation*]

ADMINISTRATION OF JUSTICE

PRESENCE OF PICKETER OUTSIDE HOUSE OF COMMONS—MINISTER'S POSITION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, my question is directed to the Minister of Justice. Since the beginning of this session, I have been intrigued by the sight, at the west door of parliament, of a person walking about holding a sign. As that sign was unilingual, I could not make out too well what was written on it. Last week I went to the person and asked her: Are we not in a bilingual country: why could your sign not be bilingual? The next day I had the pleasant surprise of seeing that it was bilingual. I could then better understand her claims. I should like to ask the Minister of Justice whether, in that capacity, he would be willing, or has already done so, to look into the claims of that person who is still there despite the very cold weather and whether he could tell us very frankly after having met her what the position of the government is with regard to her situation and, if she has certain rights, how he could help her to make herself heard democratically in order to settle that matter once and for all?

Hon. Marc Lalonde (Minister of Justice): Mr. Speaker, I thank the hon. member for his question. I have had the opportunity of speaking with the person concerned, to have her explain the situation; I have also had some of the civil servants in my department look into the situation brought to our attention by that lady. Unfortunately, I must tell the hon. member that this person is complaining about the decision brought down by the Quebec Court of Appeal confirming the judgment of the Quebec Superior Court. As the right hon. Prime Minister mentioned in the House last week or two weeks ago, I believe, our examination of the case has shown that there is nothing we can do as a government. The case resulted from a matter under municipal jurisdiction, more specifically that of the city of Hull; we must respect the decisions of the courts just like any other Canadian citizen is expected to do. So, despite my conversations with that lady and our examination of the case, I feel there is nothing we can do as a government because to do otherwise would be tantamount to intervening in the decisions of our tribunals. I doubt that anyone in this House would like to see the government embark on that course of action.

* * *

HUMAN RIGHTS

OPPORTUNITY TO INTRODUCE BILL TO ESTABLISH OMBUDSMAN AT FEDERAL LEVEL

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to put a supplementary question. It has already been widely reported that a federal ombudsman, such as the one in Quebec and in Ontario, would be appointed and very recently the Ontario government asked parliament to pass special legislation to enable a judge to fill that post. Is the minister prepared to tell the House whether the government still intends to introduce such legislation so that the matter could be considered not at a ministerial level but at the ombudsman level, so as not to lead other countries to believe that we are not well disposed towards the individuals who make demands that come under different jurisdictions?

Hon. Marc Lalonde (Minister of Justice): Mr. Speaker, the government still intends to introduce such a bill. However I would like to remind hon. members of two things. In the

first place, concerning complaints of citizens about administration of justice, as in the present case, the complaint would not have to be filed with the ombudsman but with the Canadian Judicial Council which, as far as I know, has considered the matter and found that there was no ground for complaint. As for the other aspect, if that lady is complaining about a municipal regulation, it is obvious that her complaint should be filed with the Quebec ombudsman rather than with a federal ombudsman who would not have the necessary authority to intervene in such decision.

* * *

COMMUNICATIONS

REQUEST PROCEEDINGS OF HOUSE BE BROADCAST EARLIER IN DAY

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, my question is directed to the Minister of Communications. Considering that the broadcasting of the debates by cable TV companies such as the Montreal based National Cablevision is very late, which prevents many citizens from participating or becoming acquainted with what happens here in the House of Commons, can the Minister of Communications tell the House whether some move is being considered or whether communications to those companies are needed to be able to broadcast those debates earlier, like those of the National Assembly, to enable as many citizens as possible to follow them?

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, at the present time the debates of the House of Commons are broadcast mainly on community channels, and only people in the Ottawa area have direct access to the live broadcasting of those debates. As for the province of Quebec and the debates of the National Assembly, Radio-Quebec is responsible for that broadcast. Consequently it has the choice to have a live broadcast in some areas of Quebec. As far as our debates are concerned, we can only have a pre-recorded broadcast outside the Ottawa area. The problem is quite different in a large country like ours but CBC is taking steps to broadcast the debates by satellite. On their side, cable TV companies are taking steps to broadcast the debates and in a few days, a workshop will be held to try to come up with a package which could be programmed by satellite, which would enable a larger number of people to see a live broadcast of the debates.

[*English*]

GOVERNMENT POLICY ON EARTH STATION SATELLITES—DATE OF ANNOUNCEMENT

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, in view of the fact that one of the problems is completion of the discussions on how to televise live the proceedings of the House of Commons, when will the long delayed announcement of the minister on the earth station satellite receiving policy be made, which will overcome some of the hurdles; or is she waiting until the select committee makes its report, which was scheduled for the end of this month?

● (1440)

Hon. Jeanne Sauvé (Minister of Communications): No, the ownership policy on earth stations has been under review now for a year. I am due to announce my conclusions of that review very, very soon.

* * *

CANADIAN BROADCASTING CORPORATION

PURCHASE OF EARTH RECEIVING STATIONS BY CORPORATION

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my supplementary question is directed to the Secretary of State: it involves television in the House of Commons.

In view of the fact there have been negotiations between the cable industry and the Canadian Broadcasting Corporation combining an earth station satellite review policy, which the minister will announce in a few days, is the minister aware the CBC has declared an intention to purchase 100 frontier type earth receiving stations to attach to the head-ends of cable companies without their consent at the moment?

If the minister is aware of this, can he indicate what cost factor is involved, in view of the fact we understand there has been certain restraint in CBC moneys and that this could have been done at no charge to the public purse by the sole initiative of cable companies?

Hon. John Roberts (Secretary of State): Mr. Speaker, I have had discussions with the corporation concerning the possibility of extending the coverage of the broadcasting of the House. The specific proposal suggested by the hon. member has not been brought to my attention, if indeed it is true. I will examine with the CBC whether in fact that is the case.

* * *

LABOUR CONDITIONS

TRAGEDY IN MINE AT GLACE BAY, N.S.—INVESTIGATION BY MINISTER

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is directed to the Minister of Labour under whose jurisdiction comes mine safety in the Cape Breton Development Corporation.

I was not present in the chamber when the motion under Standing Order 43 was made, but I am sure we all reiterate the sincere sympathy to the survivors of the ten men who lost their lives and our deepest prayers go out to those who have gone through such a horrible, horrible experience. I thank the minister for sending his preliminary report. Is the minister in a position to provide any further information to the House at this time regarding this terrible, terrible tragedy?

Hon. Martin O'Connell (Minister of Labour): Mr. Speaker, I want to join with the expression of sympathy in the motion under Standing Order 43 moved by the hon. member for Cape Breton-East Richmond and express my sympathy to the families who have suffered the loss or severe injury of loved ones in that tragic accident.

Today I appointed Mr. Roy Elfstrom, the director of the occupational safety and health branch of my department, as a commissioner with powers under the Inquiries Act to do an immediate on-the-spot investigation into the causes of the accident so far as they can be determined. Already a preliminary investigation is under way which is being conducted on a tripartite basis, that is, safety officers from Labour Canada who are in Sydney all the time, members of the unions involved, and of the company.

I felt it was necessary to make a second inquiry in order to secure all physical evidence and if necessary all testimony under oath before physical evidence changes or people's memories slip. Also, I am giving consideration, although I have not reached a decision, to appointing a public inquiry should that seem to be necessary.

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PUBLIC SERVICE

ANNOUNCED SALARY INCREASE FOR SENIOR PUBLIC SERVANTS—SMALLER INCREASES GRANTED PERSONS IN LESS SENIOR POSITIONS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is directed to the President of the Treasury Board. In view of the fact the government preaches restraint, especially for ordinary workers, an example being the fact that some 18,000 low-paid Ontario hospital workers were limited to an average wage increase of approximately $8 a week, how does the government justify the increase for senior public servants ranging around $100 a week, with a new high of $78,700 a year?

Hon. Judd Buchanan (President of the Treasury Board): Mr. Speaker, as the hon. member is aware, the government decided to increase the compensation of senior public servants in Canada based upon a report prepared by an independent group which advised the government on this. As a matter of fact, its recommendations were in excess of the figure decided upon by the government.

The 7 per cent increase leaves us with a very significant compression problem as far as incomes are concerned within the public service. But we felt it should be held to that amount at this time because that is roughly the figure many settlements came in at within the public service.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I will not comment upon the attempt to pass the buck back to that advisory group; after all, it is the government which makes the decision.

An hon. Member: Hear, hear!

[Mr. Muir.]

Mr. Knowles (Winnipeg North Centre): In view of the fact that references to the consumer price index were made both in the report of the Lambert advisory group and in the minister's statement, and if these increases are to enable persons to keep up with the cost of living, is it not about time to consider those who have to struggle with the cost of living, and not those who are making $40,000, $50,000 or $60,000 a year? Will the government give some leadership, and not just preach restraint which amounts to sheer hypocrisy?

Mr. Buchanan: Mr. Speaker, as the hon. member has pointed out, the recommendations of the advisory committee report were of the order of 7.5 per cent and 8 per cent. It was felt those should be cut back to the range of 7 per cent.

An hon. Member: Big deal.

Mr. Buchanan: If hon. members are now starting a new approach, that we should not use percentages, that we should use absolute dollars—

Mr. Broadbent: Good idea.

Mr. Buchanan: Well, it is a totally new concept. I suggest hon. members might go out and advocate it to some of their union supporters, to see how vigorous the support would be from them.

An hon. Member: That is right.

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CONSUMER AFFAIRS

TIMING OF ANNOUNCEMENT ON GOVERNMENT FOOD POLICY

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is supplementary to the one raised by the hon. member for Oshawa-Whitby. Last Friday, outside the House, the Minister of Consumer and Corporate Affairs referred to a food policy which was about to be announced by the government. He said that we could expect an announcement today, although it would not come from him.

In light of the 21 per cent over-all annual rate of increase in the price of food identified by the AIB, and the justifiable concern about this matter, can the minister tell the House who in the government is responsible for food policy and when we can expect the announcement to which he referred outside the House on Friday?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, the story in the press was completely false. At no time did I say that there would be an announcement this week or any other week, although I was pressed by a reporter, or several reporters, to do so; and I cannot tell the hon. member now.

I have told the hon. member on several occasions that there are several departments involved in food policies: the Department of Agriculture, the Department of Fisheries and the Environment, the Department of Consumer and Corporate

Affairs, the Department of Industry, Trade and Commerce, the Department of National Health and Welfare, and there are many provincial departments of agriculture, fisheries and consumer affairs. But the answers to the problems of high food prices are not as simple as many hon. members would suggest.

JUSTIFICATION FOR INCREASE IN PRICE OF CHICKEN

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is directed to the Minister of Agriculture, who seems to have something to say in the area of food policy.

An hon. Member: Not much.

Mr. McGrath: If an announcement on a new food strategy for the government is made, will the Minister of Agriculture be responsible for that food strategy?

While I am on my feet, perhaps I can ask the minister if there is any shortfall in the supply of chicken which has been identified by AIB as one of the contributing factors because of the decrease in the demand for beef. If there is no shortage of supply, perhaps the minister can tell the House how he justifies the increase in the price of chicken.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the statistics and facts I have been given show that there are some four million pounds more poultry in storage now than a year ago, and some five million pounds more beef and pork. There has been an increase in the production of turkey, and turkey has gone down in price by 2.8 per cent. The hon. member did not mention that. The hon. member hollered like hell about how much turkey there was—

Mr. Knowles (Winnipeg North Centre): Order.

Mr. Whelan: Mr. Speaker, I apologize. He hollered like everything about how much the shortage of turkeys would be, and we ended up with approximately 20 million pounds of turkey surplus after the first of the year. The program for food policies was stated quite clearly by my colleague.

* * *

● (1450)

PUBLISHING

PROPOSED TARIFF ON IMPORTED BOOKS—CONSULTATION WITH INDUSTRY

Mr. David MacDonald (Egmont): Mr. Speaker, my question is addressed to the Minister of National Revenue. It relates to the considerable concern and reaction in the book publishing industry with respect to a recent decision by his department to establish a new zero-rate tariff on imported books.

In view of this major decision which was taken by National Revenue earlier this year, and its impact upon Canadian book publishing, I wonder if the minister could indicate what kind of consultation took place with the book publishing industry, and what kind of advance notice was given prior to the introduction of this new zero-rating for the next three-year period.

Hon. A. C. Abbott (Minister of National Revenue and Minister of State (Small Business)): Mr. Speaker, I have read the article and some surrounding data about the reduction of the rate to zero, and I gather that this has been a long-sought reform by the publishing industry.

As the hon. member perhaps is aware, changes in duties and rates are carried out by my department but the policy is directed by the Minister of Finance I assume that this has been a step which has been sought for some time by the international publishing community.

Mr. MacDonald (Egmont): Mr. Speaker, I am sorry that the minister is not better informed on this particular subject, otherwise he would be aware of the comprehensive policy that was forwarded to the government late in 1977. I am sure that the Secretary of State for External Affairs or the Secretary of State is aware of this.

Would one of those ministers, or the Minister of Finance, indicate to the House why only one element of that policy was introduced, why there was no zero-based year attached to the policy, why it excludes the whole question of the importation of fine paper and material used in book publishing and why, in effect, there was no final consultation or notification to the publishing industry, inasmuch as all segments of publishing and the book industry at the retail level, as well as authors, have protested the government's recent action in this regard?

Perhaps the Secretary of State is the best informed in terms of the health of the Canadian book publishing industry.

Hon. John Roberts (Secretary of State): Mr. Speaker, I am sorry that the hon. member terminated his question that way, because up to that point he had been rather sensible.

Indeed there have been extensive discussions with the industry about these changes, particularly in the context of accession to the Florence agreement. The decision was not to attach ourselves to the Florence agreement but go to a zero-based tariff item for three years over which we would assess its possible consequences. There have been extensive discussions and consultations with the industry and, contrary to the hon. member's suggestion, the industry is by no means unanimous in its rejection of such a move. There is division within the industry as to whether this step would be favourable or not.

We have taken this decision, not in isolation but in the context of other measures which I hope to be able to announce soon.

Oral Questions

ENERGY

SECURITY OF OIL SUPPLY FOR EASTERN CANADA—ROLE OF PETRO-CANADA

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is addressed to the Minister of Energy, Mines and Resources.

In view of the need for secure supplies of oil from offshore for eastern Canada, and the reversal of the Tory policy concerning Petro-Canada as indicated over the weekend by the hon. member for Northumberland-Durham and reported in the Toronto *Star* of yesterday, will the Minister of Energy, Mines and Resources be pressing ahead with additional long-term supply arrangements for imported oil using Petro-Canada as Canada's agent?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, I am very interested in the change of view by the hon. member for Nothumberland-Durham. I am not sure whether he has checked it out with his leader yet, because his leader is still talking about winding-up and dismantling Petro-Canada.

Miss MacDonald: Ask Maurice Strong about it.

Mr. Gillespie: I can assure the hon. member that Petro-Canada is pressing ahead in trying to make a deal and write a contract with Pemex, the national oil company of Mexico. A group of negotiators from Petro-Canada and the Canadian government were in Mexico very recently. I can report that they had a very good and very useful discussion, and I believe that it should be possible to sign an agreement with Mexico in the very near future.

GOVERNMENT POLICY ON NATURAL GAS PIPELINE TO QUEBEC AND EASTERN CANADA

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is also for the Minister of Energy, Mines and Resources. Could the minister tell the House if it is government policy to approve a natural gas pipeline to Quebec and the maritimes, if it is government policy to be against it, or if it is government policy that they are awaiting the recommendation of the National Energy Board?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, I have made a number of statements in the past indicating that I think it would be highly desirable for a natural gas pipeline to go all the way from the west to the Atlantic Ocean. I hope that that will be possible. I also hope that the economics of this particular submission will be established before the National Energy Board. I expect that the National Energy Board will be addressing itself to this very important question this year.

Mr. Lawrence: Mr. Speaker, if it is already government policy to approve of this, why is the question of whether or not there should be an application to the National Energy Board one which the government is following? Why is the time and money being spent with respect to the policy decision itself which the National Energy Board is expected to recommend to the government? Why are we going through this rigmarole, if the government has already made up its mind?

Mr. Gillespie: Mr. Speaker, this is not the first time that the hon. member has not listened to the answer or based his question on an absolutely false premise. If the hon. member had listened very carefully, he would have heard that I said the economics of this matter are very important. The National Energy Board has been set up to examine the submission and the economics of that submission.

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ADMINISTRATION OF JUSTICE

REQUEST THAT LADY PICKETER OUTSIDE HOUSE OF COMMONS STATE GRIEVANCE TO JUSTICE COMMITTEE

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I would like to ask a question supplementary to those asked a short time ago by the hon. member for Central Nova, by the hon. member for Bellechasse today, and by the hon. member for Timiskaming in the past, of the Minister of Justice who is a lawyer and knows of the difficulties of trials and the experience of trial lawyers.

In light of the fact that the lady who is protesting outside parliament is a registered nurse, has been out there for two or three months and is actually starving herself in an attempt to bring some heed to her grievances, would the minister now—and I offer this as a plea and suggestion—discuss this matter with the chairman of the Standing Committee on Justice and Legal Affairs and members of the committee on that side of the House so that this lady could come before the committee and set out her grievance, and so a report could be made to the Department of Justice and the government? In this way that person would get a fair hearing. I am sure she would receive a fair hearing from that committee.

Hon. Marc Lalonde (Minister of Justice): Mr. Speaker, the hon. member is a member of the steering committee on justice and legal affairs. I am sure that he could bring his representations directly to that steering committee and to the chairman of the standing committee.

I would repeat that I have seen this lady myself. I have asked the officials in my department to look into her case and it is quite clear that the matter which the lady is protesting about is one of private litigation. The lady is unsatisfied with a judgment rendered by the Superior Court of Quebec and the Court of Appeal of Quebec. She is in the same situation as any private citizen who is not satisifed with a judgment rendered by the courts. There is nothing which the Minister of Justice or the federal government as such can do. In this particular litigation, neither the federal government nor any of its agents were involved, either as a party in the action or as interveners

in any way. It is a matter of private litigation under the civil law of Quebec.

Mr. Speaker: The hon. member for Capilano.

Mr. Woolliams: Mr. Speaker, may I ask one supplementary?

Mr. Speaker: The hon. member for Calgary North.

Mr. Woolliams: Mr. Speaker, I am not suggesting—

Some hon. Members: Oh, oh!

Mr. Speaker: Order. I do not like to interrupt the hon. member, but I am troubled that we have spent a great deal of time on this matter. There are several other members who, I am sure, have been pressing for several days to be recognized. Perhaps the hon. member could ask a very brief question and then I will recognize the hon. member for Capilano.

Mr. Woolliams: I am always brief, Mr. Speaker. I would ask the Minister of Justice if he would lend his support. Naturally, I can recommend the matter to the steering committee, but this parliament sets the references for that committee. I am asking the minister to lend his support in this matter.

Mr. Lalonde: Mr. Speaker, I think that if the hon. member had listened to my first answer, I said everything that I needed to say on the subject.

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CANADIAN BROADCASTING CORPORATION

ALLEGED ISSUANCE OF CREDIT CARDS FOR CORPORATION'S USE

Mr. Ron Huntington (Capilano): Mr. Speaker, I have a question for the Secretary of State. Would the Secretary of State tell the House if he has approved the issuance of credit cards with major department stores in the name of and to the account of Canadian Broadcasting Corporation, and can he advise us as to the extent of such issuance?

Hon. John Roberts (Secretary of State): Mr. Speaker, I have not personally done so. It may be within the delegation of signing authority that that has taken place, but I personally have not done so.

Mr. Huntington: Mr. Speaker, while the minister is looking into the risk and accountability aspects of such a credit card issue, would he also look into the purchase of $58 worth of pantyhose at an Eatons's downtown store in Vancouver, and will he take steps to protect the credit of the Canadian Broadcasting Corporation by either withdrawing such credit cards or by instructing the CBC to pay its account with Eaton's on time?

• (1500)

Mr. Roberts: Mr. Speaker, I take it the hon. member's question relates to the CBC. I shall be happy to pass on his concern about pantyhose and any other miscellaneous details.

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AGRICULTURE

TARIFFS ON CANNED TOMATOES—PROTECTION FOR CANADIAN PRODUCERS

Mr. J. R. Ellis (Hastings): A few weeks ago the Minister of Agriculture made a speech having to do with tariffs on canned tomatoes. This resulted in a headline that said he promised 17 per cent protection. Can the minister tell the House if there is to be 17 per cent protection for producers in the province with regard to imported canned tomatoes?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am fully aware of the headline in that newspaper. That was not what I stated. The person who wrote it was concerned about what the Tariff Board had recommended. The Tariff Board had recommended that kind of protection.

In the talk I gave to them, I said that I hoped they would be somewhere near that when the recommendation was made, etc. I can give the tape to the hon. member to listen to. All my speeches are taped and double-taped to make sure that when somebody does use a headline such as this, we can offer them the evidence of what was actually said.

As the hon. member knows, a study of the Tariff Board report has been completed. Negotiations have been going on for some months, representations have been made and we hope they will soon be implemented.

Mr. Ellis: Mr. Speaker, it is obvious the Minister of Agriculture wants to support the farmers in this matter.

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FINANCE

TARIFF ON CANNED TOMATOES—POSITION OF MINISTER

Mr. J. R. Ellis (Hastings): May I ask the Minister of Finance whether in cabinet he will support a recommendation espousing such a tariff to protect the tomato growers in the province?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, if we have something to make public, we will do it in due course. I am not in a position to do it at this time.

Public Service

PRIVILEGE

MR. FRIESEN—REMARKS OF PARLIAMENTARY SECRETARY TO MINISTER OF INDUSTRY, TRADE AND COMMERCE

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, last Friday I rose on a question of privilege respecting language used in the House by the Parliamentary Secretary to the Minister of Industry, Trade and Commerce (Mr. Loiselle). He was not in his seat at that time so I reserved my question of privilege until today.

I would point out that *Hansard* records that the Acting Speaker on that evening pointed out that the rules of the House did not permit me to rise on that occasion to ask the hon. member to retract his statement. While I applaud his facility in bilingualism, I wish he would use a more elevated diction. As *Hansard* records, and as Beauchesne points out, the language he used on that evening was definitely unparliamentary, and I would ask him to retract his statement.

[*Translation*]

Mr. Bernard Loiselle (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, it is a fact that I used the expression "bullshit" but unfortunately this type of slang is sometimes acceptable in French. I just cannot accept the pessimistic attitude of the hon. member opposite concerning the excellent record of the Canadian economy. I therefore withdraw my remarks, but I realize at the same time that they were founded.

[*English*]

Mr. Speaker: Order, please. As the hon. member for Surrey-White Rock (Mr. Friesen) pointed out, we were facing a procedural constraint, as we do in adjournment debate when we set aside three ten-minutes periods. We have always followed the practice that those periods cannot be upset by procedural discussion of any sort. When this occurred, the hon. member properly gave notice and the parliamentary secretary in response to this later discussion has now withdrawn the offending remark. The matter is now closed.

ROUTINE PROCEEDINGS

[*English*]

PUBLIC SERVICE

TABLING OF REPORT ON PROGRAM PERFORMANCE MEASUREMENT

Hon. Judd Buchanan (President of the Treasury Board): Mr. Speaker, pursuant to Standing Order 41(2), I wish to table in both official languages the 1979 report on program performance measurement in the public service of Canada.

[Mr. Chrétien.]

VETERANS AFFAIRS

COMMEMORATIVE CEREMONIES TO MARK D-DAY LANDINGS

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, June 6, 1979, marks the thirty-fifth anniversary of the D-Day landings in Normandy. I would like at this time to pay homage to the gallant Canadian sailors, soldiers and airmen who took part in the allied invasion of Normandy on June 6, 1944, the greatest amphibious operation of all time.

Thousands of Canadians servicemen in the Canadian 3rd division, 2nd Canadian armoured brigade and 1st Canadian parachute battalion—nearly one-fifth of the total invasion force of 100,000 men—stormed across the Normandy beaches and elsewhere to free northwest Europe from the tyranny of enemy occupation. By the end of that dramatic day 35 years ago, it had become apparent that the massive venture had succeeded, though it represented for Canada a loss of 1,074 killed, wounded and missing.

Canadian veterans of the three services who took part in the Normandy landings continue to reflect on those events and think of their comrades who fell, denied the chance to return home and partake of the opportunities of our growing and prosperous land.

This coming June, Mr. Speaker, I will lead a delegation of 40 veterans, representing the Canadian units, battalions, regiments and corps which took part in Operation Overlord. Commemorative ceremonies will be held at Beny-sur-Mer and other sites in the Canadian sector. The group will also participate in British and American ceremonies in the respective sectors. Representatives of the Royal Canadian Legion and National Council of Veterans Associations will also attend these commemorative ceremonies.

I must remind hon. members that we emerged as a great nation because of the tens of thousands of young men and women—including some who sit here today as members of parliament—who volunteered in two world wars to fight for their country in far off lands when our freedom was threatened. These Canadians served and fought together, regardless of language, race or color. They fought united as Canadians on the Normandy beaches and later in the campaign in northwest Europe—the final turning point in the titanic struggle to preserve freedom and democracy in the world.

Let us remember today and always the thousands of Canadians who lie in graves in France and around the world because of their duty to Canada. They, by their sacrifice, protected our freedom to govern and to build a great nation for those of us who remain. They have earned their place of honour, and "We will remember them".

Some hon. Members: Hear, hear!

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I am delighted to join with my colleague the Minister of Veterans Affairs (Mr. MacDonald) in paying homage to the gallant Canadian sailors, soldiers and airmen who took part in the allied invasion of Normandy on June 6, 1944. The minister is quite correct in terming this the greatest amphibious opera-

tion of all times and no one who lived through those days will ever forget the fear and tension of the moment.

It is also important that Canadians not yet born in 1944 be reminded of the valiant efforts of the invasion force and the terrible losses suffered during that day—1,074 killed, wounded and missing in a single day. The figure is awesome.

I congratulate the minister on his plan to lead a delegation of veterans who took part in Operation Overlord to the commemorative ceremonies at Beny-sur-Mer. I am sure this will be a moving occasion for all involved and will serve to draw special attention to the thirty-fifth anniversary of D-Day.

To the minister's call to remember the thousands of Canadians who lie in graves in France and around the world, I would also like to add a plea to remember the veterans who returned. I am thinking particularly of veterans who were accorded veterans' preference in employment in the public service and who are now suffering from an apparent change of government policy in this regard. I also refer to veterans experiencing difficulties obtaining admission to former veterans' hospitals, widows of veterans denied a pension because of the government's failure to act on the recommendations of the Standing Committee on Veterans Affairs relating to prisoners of war, war amputees and others.

Yes, Mr. Speaker, by all means let us remember the anniversary of the D-Day landings in Normandy; but at the same time let this government manifest in a tangible way to the veterans of this country that they are remembered also.

Some hon. Members: Hear, hear!

● (1510)

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we are happy to join in welcoming the announcement that has been made by the Minister of Veterans Affairs (Mr. MacDonald) that he will lead a delegation to Normandy on June 6 of this year. I remember very well the solemnity of that day, June 6, 1944, in this House of Commons when all of us realized how much turned on the events that were taking place. It was before the days of television and so we went across the hall to room 16 to listen to a radio broadcast by his Majesty King George VI. As I say, we were all aware how much depended on the outcome of the events of that day.

Accordingly, Mr. Speaker, we are glad that this delegation will be going to commemorate the thirty-fifth anniversary, and I join with the minister in saying that we cannot too often say of Canada's veterans "We shall remember them".

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, I want to thank the minister for providing me with the text of his remarks a few minutes before the oral question period.

Mr. Speaker, even if World War II events are slowly falling into oblivion, there are faces and memories which just refuse to die. For all those of us who lived through the difficult Normandy landings and all those Canadians who were involved in it, this remains the epitome of courage and determination.

This military operation certainly proved costly, claiming nearly 1,100 Canadian lives, but what sorrow for all those who, on this side of the Atlantic, had lost their loved ones. Yet, they could find solace in the conviction that these braves had not lost their lives in vain. Thus falling on the field of honour, our Canadian servicemen have set the corner-stone for the new, strong, prosperous and free Canada in which we live today and which we owe in part to them. This is something to keep in mind. I sincerely wish that all young Canadians will follow the fine example of courage and determination these heroes have set and which remains a source of unlimited hope for the future.

[*English*]

Hon. Barney Danson (Minister of National Defence): Mr. Speaker, I do not mean to intrude into the area of my colleague, but I would like to point out that one of the spearhead brigades of that invasion was the 8th Canadian Infantry Brigade in which I served. That brigade was made up of Le Régiment de la Chaudière which was all French speaking; the North Shore New Brunswick Regiment which was about half French speaking; and the Queen's Own Rifles of Canada which was English speaking. So it was a brigade commanded at one time by a Francophone commander which was just about 50-50 English speaking and French speaking. I hope that Canadians will not forget that. I hope they will also not forget that had we had an alliance at that time, and had we been prepared better than we were, we might not have seen all of those lives lost.

Some hon. Members: Hear, hear!

* * *

POINT OF ORDER

MR. ALEXANDER—PRACTICE OF TABLING DOCUMENTS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I rise on a point of order. I want to register my concern with respect to actions by ministers that are taking place of late in this House of Commons. We have just seen the President of Treasury Board (Mr. Buchanan) tabling a document or documents concerning program performance measurements. What I find extremely offensive is the fact that I know he held a press conference, or a mini-press conference, this morning. The press is aware of the contents of the documents. It seems to me the practice is that ministers are now tabling documents and running.

As I understand it, Mr. Speaker, this is the sort of practice which is becoming more prevalent. I understand from the documents they have tabled that they have picked the best and ignored the rest, and given them a gold star, which is certainly distorting the truth. Sooner or later we have to put our finger on the problem around here. When I first arrived in 1968

ministers had the guts to stand up when they were tabling documents.

This document or these documents in particular are of some concern because they talk about the economy, value for money, efficiency, the Comptroller General and the Auditor General. This sort of practice must stop. We in the opposition must be given an opportunity to know at least as much as the press. The press knows all about the documents which have been tabled this afternoon. I think it is very unfair and most discriminatory that we do not. It shows a certain amount of irresponsibility on the part of ministers. I would respectfully say, sir, that we have to come to grips with these particular tactics which this government is becoming so famous for in attempting to evade its responsibilities.

My objection is that if ministers can table documents after they have discussed the contents therein with the press, then I think it is incumbent upon them at least to give us the benefit of their views at the time these documents are tabled, rather than tabling documents and running, which seems to be the policy of this government.

Hon. Judd Buchanan (President of the Treasury Board): Mr. Speaker, I am not quite sure what the hon. member is alluding to. I was in Toronto all morning and did not have a press conference. I do not know what he is speaking about, I am sorry.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Alexander: Mr. Speaker, there was a conference held—

Mr. Speaker: Order, please. In any event the hon. member for Hamilton West (Mr. Alexander) was not on very strong procedural grounds. I do not know what procedural objection can be taken to a minister tabling documents. The hon. member may have a grievance which he wants to argue about, but in fact there is no action that the Chair can possibly take on the point that he raised.

* * *

VETERANS AFFAIRS

COMMEMORATIVE CEREMONY TO MARK D-DAY LANDINGS—OPPORTUNITY TO ASK QUESTIONS

Mr. Tom Cossitt (Leeds): Mr. Speaker, in regard to the statement made a moment ago by the Minister of Veterans Affairs (Mr. MacDonald) and to speeches made by other members representing other parties, I stand to be corrected but I assumed that it was possible under the procedure now in effect for a member to ask a question of the minister in regard to the statement he had made following the making of that statement.

If that is correct, in the minister's absence I would like to direct my question to whomever the acting prime minister may be.

[Mr. Alexander.]

Mr. Speaker: Order, please. The hon. member for Leeds (Mr. Cossitt) is correct that we have been following a practice which calls for discretion by the Chair in entertaining questions of a minister following a statement made by a minister and then corresponding statements on behalf of the other three parties. However, the existence of a question period itself and the duration of it, if it does exist, is in the discretion of the Chair. I did see the hon. member standing but I was not aware that he wanted to put a question. Frankly, my inclination would be that this was not the kind of statement which would ordinarily lead me to conduct a question period in any case.

In these circumstances, the nature of the statement would be such that I would have had to have some advance notice. The hon. member will be aware that in almost every other case where a statement is made by a minister and it raises an area of some discussion or some disagreement, that is routinely followed by a question period, but with the more ceremonial statements of this sort we have not done that. I think I would exercise my discretion along those lines in that way.

I should also say to the hon. member that if I do start a question period the rule is that questions can only be put to the minister who has made the statement. Therefore, perhaps the hon. member will have another opportunity to put whatever question it was, he had in mind.

* * *

ADMINISTRATION OF JUSTICE

DECISION OF GOVERNMENT NOT TO APPEAL PETER TREU CASE

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I rise on a point of order dealing with ministers' statements. I have just been advised that the Minister of Justice (Mr. Lalonde) went outside the House and made a statement to some members of the media to the effect that the government did not intend to appeal the decision in connection with the case of Peter Treu. This, of course, is the right of the minister, but to some extent this matter was the property of the House and it had been raised in the House.

I did attempt to seek the floor in order to put a supplementary question but the Chair did not recognize me, as is its privilege. Tied up with the question of appeal is the question of compensation and matters of that kind. I think it shows a shocking arrogance and contempt on the part of the minister by his failing—

Some hon. Members: Oh, oh!

Mr. Baldwin: I see the minister is here now. It has been brought to my attention that the minister made the statement that it is not the government's intention to appeal the case of Peter Treu and that this statement was made outside the House. If I am wrong in that and the minister tells me, I will apologize. However, if I am correct, I think the minister should apologize, or, in the alternative, make a statement in the House at this time.

• (1520)

Mr. Speaker: Order, please. Before recognizing the minister I want to say that the hon. member for Peace River (Mr. Baldwin) did ask a question to this effect a day or two ago. I know that he was trying to get recognized today. Obviously the line he is pursuing is one that ought to have been pursued in the question period. He is telling the House that, through circumstances beyond his control, he was not able to do that. I was not able to recognize him in the question period. That does not alter the basic fact that the hon. member does not have a good procedural ground. If the minister intends to make a statement now, it will have to be with the consent of the House.

Hon. Marc Lalonde (Minister of Justice): Mr. Speaker, I waited during the whole question period for a question on this particular subject. Unfortunately no question came. I instructed my officials to advise counsel for Mr. Treu at noon today that the government would not be appealing the case. Since I had not had the question in this House during question period, when the press asked me about it after question period I indicated my decision not to appeal the case against Mr. Treu.

Mr. Baldwin: Mr. Speaker, I will not pursue this further except to say that under those circumstances I will tell the minister that anything I said about his being arrogant and contemptuous I will withdraw, because he was waiting for me to ask the question. That I was not recognized was not his fault. It is not often that ministers sit around waiting for me to ask questions; I hope it becomes a habit. I certainly hope that under the circumstances the Chair's very long memory will be kept in full gear so that tomorrow or the next day this matter might indeed be pursued.

Mr. Tom Cossitt (Leeds): On the same point of order, I feel that I have a valid point of order with regard to what the Minister of Justice (Mr. Lalonde) has just said, that he made the statement outside the House because he did not have an opportunity to answer inside the House. I, and I am sure other hon. members, fail to see why he could not have made such a statement on motions.

Mr. Speaker: I think the hon. member will recognize that if ministers were to avail themselves of an opportunity to make such a reply, which might be only a single line, on statements on motions on a regular basis, that procedure would get very cluttered indeed.

* * *

CANADA EVIDENCE ACT

AMENDMENT PROVIDING EXCEPTION TO USE OF INADMISSIBLE EVIDENCE

Mr. J. Robert Howie (York-Sunbury) moved for leave to introduce Bill C-462, to amend the Canada Evidence Act (evidence not lawfully obtained).

Some hon. Members: Explain.

Mr. Howie: Mr. Speaker, the purpose of this bill is to put the common law poisoned evidence rule into perspective in certain criminal cases.

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

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): Mr. Speaker, questions Nos. 234, 383, 597, 623, 696 and 735 will be answered today.

[*Text*]

INTERIOR LANDSCAPING—DPW

Question No. 234—**Mr. Howie:**

For the fiscal year ended March 31, 1978, what amount was spent on interior landscaping by the Department of Public Works?

Hon. André Ouellet (Minister of Public Works): For the fiscal year ended March 31, 1978, $161,448 was spent on interior landscaping by Public Works Canada from its departmental appropriations.

FISHING VESSEL SUBSIDIES—EAST COAST

Question No. 383—**Mr. McCain:**

1. What amount was spent on subsidies for fishing vessels by the Department of Fisheries in eastern Canada in each fiscal year 1970 to 1979?

2. (a) What was the size of each boat subsidized (b) what was the amount of the subsidy (c) who is the registered owner of each boat?

3. What was the class of fishing licence or licences owned by the successful applicant?

Mr. Jack Pearsall (Parliamentary Secretary to Minister of Fisheries and the Environment): 1. The following subsidies were paid for fishing vessels in eastern Canada (Newfoundland, maritimes and Quebec) 1970 to 1979.

	Amount ($000)	No. of Vessels
1970-71	939.2	94
1971-72	1952.71	211
1972-73	3158.2	249
1973-74	7960.0	419
1974-75	3876.9	263
1975-76	3575.4	254
1976-77	3098.2	313
1977-78	3633.4	377
1978-79*	6438.6	396

*Funds allotted and vessels approved to date.

2. (a) Number of vessels and size range 1978-79 (See note).

25′ - 35′	58 vessels
36′ - 45′	314 vessels
46′ - 55′	17 vessels
56′ - 65′	7 vessels
	396

NOTE: For previous years data could not be provided without excessive cost and time.

2. (b) and (c) The amount of individual subsidies and the recipients is considered confidential information.

3. The following aggregate number of classes of fishing licences were issued to approved vessels in 1978-79 (See note 2 (a)). The names of the licence holders are confidential.

Lobster	279
Groundfish	238
Herring	208
Mackerel	62
Scallop	50
Salmon	45
Irish Moss	23
Eel	12
Oyster	12
Longline	12
Tuna	10
Snow Crab	8
Smelt	7
Gaspereau	4
Shrimp	1

HOST RENT-A-CAR LTD.

Question No. 597—**Mr. Mazankowski:**

1. Did the Attorney General of Canada register a Statement of Claim in the City of Winnipeg, July 24, 1978 against Host Rent-a-Car Ltd. for total arrears, including interest, in the amount of $863,679.96 and, if so, what is the total amount of arrears and interest owed to the Department of Transport by the Company from July 24, 1978 to date?

2. Does Section 27 of the Contract Lease Specifications for Car Rental Concessions state, that in case of non-payment of fees, default, breach or non-observance made by the lessee, the Department may terminate the agreement between Host Rent-a-Car Ltd. and the Department of Transport and also, if required by the Minister, remove all supplies, articles, equipment, materials, effects and things brought or placed thereon or therein by the lessee and, if so, for what reason did the Department not implement Section 27 of this tender contract?

Hon. Otto E. Lang (Minister of Transport): 1. Yes. The arrears, including interest, from July 24, 1978, to November 15, 1978, total $1,119,260.

2. Yes. The Crown instituted its statement of claim against Host after due consideration of the available legal recourses.

STONE CARVERS, CARPENTERS, PAINTERS EMPLOYED BY DPW

Question No. 623—**Mr. Friesen:**

How many persons are employed as (a) stone carvers (b) carpenters (c) painters by the Department of Public Works and, in each case, how many are in the salary range (i) $5,000 to $8,000 (ii) $8,001 to $10,000 (iii) $10,001 to $12,000 (iv) $12,001 to $14,000 (v) $14,001 to $16,000 (vi) $16,001 to $18,000 (vii) $18,001 to $20,000 (viii) $20,001 or more?

Hon. André Ouellet (Minister of Public Works and Minister of State for Urban Affairs): Public Works Canada employ:

	Salary Range	(a) Stone Carvers	(b) Carpenters	(c) Painters
(i)	5,000 to 8,000	nil	nil	nil
(ii)	8,001 to 10,000	nil	nil	nil
(iii)	10,001 to 12,000	1	8	1
(iv)	12,001 to 14,000	nil	20	25
(v)	14,001 to 16,000	2	55	23
(vi)	16,001 to 18,000	1	24	3
(vii)	18,001 to 20,000	nil	1	nil
(viii)	20,001 or more	nil	3	nil
	Total:	4	111	52

ICE RECONNAISSANCE

Question No. 696—**Mr. Forrestall:**

1. With reference to the $1,200,000 spending cutback that will result in a reduction in the level of flying time contracted for ice reconnaissance purposes, which contracts currently held in the Arctic and Atlantic areas will be reduced or terminated?

2. What percentage of the total (a) budget (b) flying time for ice reconnaissance purposes does such reduction represent?

3. What part of the reduction in the level of flying time represents time contracted for over Atlantic areas as compared to Arctic areas?

4. Will there be a corresponding reduction in ground operations as a result of the reduction in flying time?

Hon. Len Marchand (Minister of State (Environment)): 1. Most ice reconnaissance is flown under a single multi-year contract which remains in force, but flying time will be cut back to the minimum allowed in the contract.

2. The reduction represents approximately (a) 13 per cent of the proposed budget and (b) about 17 per cent in contract flying hours.

3. Likely in the order of 40 hours or 4 per cent of the planned total for the Atlantic areas as compared to 90 hours or 6 per cent of the planned total for the Arctic.

4. There will be no reduction in service output, for most cuts will be made in remote sensor development and in the system documenting where these sensor records were obtained.

MULTICULTURALISM

Question No. 735—**Mr. Mitges:**

1. Has the Multiculturalism Directorate developed a method of evaluating the (a) effeciency (b) effectiveness of its programmes which are involved in the distribution of grants and/or contributions and (i) if so, what is the method (ii) if not, for what reason?

2. With respect to the above programmes, for the fiscal year (a) 1975-76 (b) 1976-77 (c) 1977-78 (d) 1978-79, has the Directorate made any attempt to evaluate their (i) efficiency (ii) effectiveness and, if so, what were the results?

Hon. Norman A. Cafik (Minister of State (Multiculturalism)): 1 and 2. Up to the present time evaluation of the multiculturalism programs has been an informal but constant and on-going process, leading, in 1977, to a review of the entire multiculturalism program within the Secretary of State Department. As a result of this review new directions were given to the program, with the introduction of new activities and the expansion of existing projects; new and revised criteria were established; and Treasury Board approval obtained for additional resources to carry out the new directions over the

next five years. The directorate is now in the initial stages of developing a formal plan to evaluate the efficiency and effectiveness of its programs which are involved in the distribution of grants and/or contributions.

* * *

[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): Mr. Speaker, if question No. 42 could be made an order for return, this return would be tabled immediately.

[*Text*]

PROFESSIONAL SERVICES CONTRACTS

Question No. 42—**Mr. Orlikow:**

1. For the fiscal year 1976-77, what contracts for professional services were let for studies, surveys and analyses into (a) present or future policies, programmes or information analysis and their efficiency and effectiveness (b) the examination of the administration or internal operation of the Department of National Health and Welfare?

2. How much was committed on each contract and to whom?

Return tabled.

* * *

[*English*]

POINT OF ORDER

MR. COSSITT—DELAY IN ANSWERING QUESTIONS

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise just briefly to draw attention to the same four questions that I have drawn attention to on at least five or six occasions. In the absence of the parliamentary secretary, I raised this point about a week ago with the hon. member who stood in for him. I asked if I could be told when these long standing questions would be answered.

One question is No. 4, concerning members of the Canadian Transport Commission or their wives who have passes with Air Canada. This question has been outstanding on various order papers for two years and eight months.

Another concerns purchases made by the Prime Minister's office in excess of $86,000 from public funds. I asked what this represented. It has been outstanding for three years, despite the fact that the Prime Minister (Mr. Trudeau) said in this House "Let it be made public. Put it in all the papers, I don't care". That was one year ago.

I would also ask about two other questions. Question No. 9 concerns the invasion of privacy, and so on, of public servants in non-security risk positions who have been fingerprinted. I asked why this was being done, how many have been done and so on. This question has been outstanding for two years.

Housing

Finally, question No. 10 concerns Martin Goldfarb and Goldfarb Consultants, also known as pollsters for the Liberal party. I asked how much work they had done for the government. This question has been outstanding for one year and seven months on various order papers.

I wonder if the parliamentary secretary, as I said before many times, instead of giving percentages of how well he has done, could tell us about the questions he has not answered which are embarrassing to the government. I assume the reasons for not answering these questions can only lie in that category. Can I have some assurance as to when these questions will be answered?

[*Translation*]

Mr. Yvon Pinard (Parliamentary Secretary to President of Privy Council): Mr. Speaker, the hon. member is complaining about four questions only which have remained unanswered. That is, of course, because we have answered a very large number of his questions during the last few months as he might have noticed. So he can rest assured. Once again, I would remind him that he has always been treated very fairly by parliament, and we will continue to give his questions serious consideration.

[*English*]

Mr. Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

NATIONAL HOUSING ACT

MEASURE TO AMEND

The House resumed from Friday, February 23, consideration of the motion of Mr. Ouellet that Bill C-29, to amend the National Housing Act and the Central Mortgage and Housing Corporation Act and to make other related amendments, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mrs. Jean E. Pigott (Ottawa-Carleton): Mr. Speaker, before we adjourned debate on this bill on Friday, I had been explaining the failure of this government over the last eight years to commit itself to any national urban strategy. Moreover, as late as this past week end the minister in Montreal reiterated the stark fact that housing is not a priority of this government. It is interesting to see that for the debate on this bill the minister is not in the House.

Mr. Paproski: That shows how much he cares.

Mrs. Pigott: That's right.

Mr. Lalonde: On a point of order, Mr. Speaker, the hon. lady will realize that the minister had an important press conference in Montreal at noon today. He is on his way to this House. He will be here a little later this afternoon.

Mrs. Pigott: It is funny that press conferences always take precedence over what is going on in the House of Commons.

Mr. Boulanger: Where's Joe?

Mrs. Pigott: I am interested in the minister whose bill this is.

Mr. Boulanger: I am interested in Joe Clark.

Mrs. Pigott: You will have a lot of him later. The government, in the words of the Minister of Industry, Trade and Commerce (Mr. Horner), believes that housing is a luxury and will always be considered a luxury. I can only relate the facts of the latest available study, including all of the ones I have from the minister's own office.

More than 40 per cent of Canadian home owners had personal incomes in 1976 of less than $10,000 and 67 per cent of them had incomes under $15,000—and the government think that mortgage deductibility is just for the rich. Less than 6 per cent of all Canadian home owners reported personal incomes of more than $25,000 in 1976. If one takes household income, which is the total income in a household, even if more than one spouse works or there are working dependants, the figures for 1976 show that 35 per cent of all home owners in Canada had an income under $10,000 a year. Slightly more than 10 per cent of all Canadian home owners recorded household incomes of more than $25,000.

● (1530)

These are the facts about Canadian home owners who the Prime Minister (Mr. Trudeau) and the Minister of State for Urban Affairs (Mr. Ouellet) claim are too rich to deserve any kind of tax break from their government in Ottawa. In terms of occupation, it is worth noting that the largest single category of homeowners, almost 35 per cent, are skilled or unskilled labourers. When we get out on the hustings, Mr. Speaker, I wonder what the other two parties are prepared to do, and will they go into the union halls and factories and tell these Canadians that they are too well off to warrant a tax reduction?

What about the second largest category of home owners? They are retired people and account for 19 per cent of all home owners. Are they the rich?

An hon. Member: Perhaps.

Mrs. Pigott: Well, tell that to the home owners. Tell them they should not have a tax break. In fact, these classified home owners, the top income category, account for little more than 6 per cent of all Canadian home owners. The minister spent most of his time last Friday discussing the benefits of extending tax reductions to the beleaguered Canadian home owner. Like a variety of economists, columnists and politicians who criticize our proposal, it has been an interesting exercise to watch the number of Liberal government spokesmen assume the role of critic, one usually reserved for our side of the House. We have had the more positive role of taking the government side. Let me assure hon. members opposite, Mr. Speaker, that this is a position my party and my leader readily accept.

Some hon. Members: Hear, hear!

Mrs. Pigott: I do not wish to dwell too long on this subject, but long enough to say that our proposed policy is one which offers tax recognition and relief to Canadians who have worked hard and saved to buy homes of their own. These are the forgotten people of the Canadian tax system who put up most of the money and make relatively little demand on many public services.

The Progressive Conservative party does not accept the Liberal no-growth scenario of the future. It means death to our communities. Our party is the only one to accept that growth must be an economic policy. Originally, the concept of government was that taxpayers would finance the administration to contribute to the economy. We now seem to be caught in the position of trying to administer the economy to finance the government. For 16 per cent of every Liberal government dollar goes to finance the national debt, which will reach $100 billion next year.

Some hon. Members: Shame!

Mrs. Pigott: The government will have the dubious distinction of being known as the government of default by default. On behalf of the Conservative party, the future government, I make no apology for the fact that we recognize it is high time that Canadians were given some recognition and some incentive to keep up the hard work on which this country was built. That means we would not continue with a tax system which penalizes young couples who want a home and young children. Mr. Speaker, it means turning our tax system around to reward those who produce and those who save in order to provide the capital for the expansion of our economic base, which in turn provides the jobs for our chidren.

After the minister's trip to Toronto on Wednesday of last week, I thought it would be interesting to read the *Globe and Mail*. It said:

> No, Mr. Ouellet's proposal falls down on its own demerits. Whatever its failings, Mr. Clark's mortgage deductibility program was aimed at reducing the high inventory of houses on the market, prompting a boom in the housing industry, and reactivating the economy. What Mr. Ouellet suggests is, quite simply, a redistribution of wealth, and the obvious question is, why is he cloaking a plan to cut taxes in something that resembles a housing policy?
>
> The answer, we fear, is that the federal government, anxious to be seen as all things by all people, delights in creating special categories which appeal to special sectors of voters. Mothers get a cheque, families with low income get a cheque, everyone gets a cheque—less a policy than a determined effort to disguise a lack of policy. With any luck, the builders' reaction—one of disappointment—should convince Mr. Ouellet, and his government, to leave this particular kite on the conference floor.

This is one time I happen to really agree with the *Globe and Mail*.

One of the remaining elements in the bill emphasizes new expanded use of NHA mortgage insurance. In point of fact, the aggregate maximum of loan insurance has been increased to $40 billion and we hope to spend more time in committee in this area. The AHOP program has been dropped in favour of a graduated mortgage payment. Major lending institutions do not support this financing technique and to gain this support the government proposes to implement a quick settlement package. In the words of one analyst, "there are no longer any checks and balances; no rules for circumspection. The borrowers can borrow with hardly any money down. The lenders can lend with scant attention to risk. And CMHC can subsidize with magnanimous indifference."

I would like to read a little more, Mr. Speaker. I think it is important to quote, for instance, from the magazine "Finance". I refer to an item headed "The federal mortgage mess: will the banks help bail out Ottawa?" It is by Stephen Raikes:

> It started out last winter as an election plum—yet another program to help thousands of "average Canadians" buy homes they would otherwise be hard pressed to afford.
>
> Now, several months after the election-campaign-that-never-was, Ottawa's Graduated Payment Mortgage (GPM) program looks more like a badly shriveled prune—
>
> Suppose for instance that a house buyer needs to borrow $35,000 at 10¼ per cent for 25 years . . . The unpleasant but less obvious fact is that over the life of the debt the GPM will cost the borrower $9,324 more than the standard mortgage would—$105,024 compared with $95,700. In those early years his payments aren't large enough even to cover all the interest, let alone retire any of the principal. As a result, he's obliged later on to pay interest on his unpaid interest. Thus his debt, rather than being retired, gradually increases—
>
> Understandably, there are people in the world of finance who wonder whether there is a house buyer anywhere in Canada who really needs that kind of "help" from his federal government.

W. Peter Carter, past chairman of the mortgage committee of the Canadian Bankers' Association, has coined his own term for this. He calls it "GPM, the Permadebt." I think this is a very serious side to the graduated payment mortgage, Mr. Speaker, and we must take much more time to debate it. We must spend time in committee on its detail.

On the one hand we have the Minister of Finance (Mr. Chrétien) who wants to continue to wrestle inflation to the ground, and on the other we have the Minister of State for Urban Affairs phasing in graduated payment mortgages based on future inflationary increases in prices and incomes. We are putting people into a dreadful box if we pass this piece of legislation.

The Minister of Finance claimed some months ago that the money spent under the present government went to build houses and increase supply, not to create expectation and demand higher prices. In fact, scarcity of serviced lots and high carrying costs due to zoning delays combined with this government's own demand initiatives equal unprecedented housing inflation over the past four years. This problem is now compounded by the fact that residential construction activity is bound to decline if the current large inventory of newly constructed but unoccupied dwellings is not absorbed.

To compensate for this decline in residential building activity the minister has encouraged the home building industry to become actively involved in the new co-operative and non-profit form of housing. In a speech he made last Friday the minister went to great lengths to describe this. But what worries me is the statement the hon. gentleman made last September when he was discussing the CMHC budget cuts. The minister urged sponsors of low income housing projects to give up their preoccupation with the design and construction of new housing. He went on to say, and I quote:

> I believe that low income housing sponsors would be wise to consider seriously the "best buy" principle and look toward existing housing for their clients rather than think in terms of new structures.

I hope the people in the private sector will recognize what the minister was saying here. I am warning them now that he will probably try to get rid of the 53,000 AHOP homes before he lets them go ahead.

● (1540)

Mr. Adamson of the Central Mortgage and Housing Corporation indicated last year in a speech in Windsor that while the new non-profit program promises to do a better job of bringing adequate accommodation within the reach of many people, it is not likely to have a massive effect on the production of new housing. I think this is one thing this House and this government must realize. While it is imperative that we encourage this side of our community life, we must realize that it represents only a very small proportion of what must be done in the housing market.

As for the termination of the old AHOP, the minister is certainly aware of my evaluation of that program. However, I believe it is important for us to examine for the record the actual success of this program because I believe it mirrors the future of the graduated mortgage payment as it is being proposed at the moment. The graduated mortgage payment is much worse, from the government's point of view, because there will be an automatic payout with any account three months in arrears.

I would like to draw the attention of the House to the fact that AHOP foreclosures increased by 463 per cent in 1978 over 1977. That is to say, the number of AHOP foreclosures increased from 265 to 1,492. AHOP foreclosures now account for 56 per cent of all mortgages acquired by the mortgage insurance fund. Furthermore, we have stated that the default rate approximates 10 per cent. In recent correspondence the minister indicated that it is 1.62 per cent of direct loans administered by Central Mortgage and Housing Corporation, up marginally, he said, from the 1.31 per cent of a year ago. However, a year ago in the Standing Committee on Health, Welfare and Social Affairs he indicated that the default rate was 5.6 per cent, up from 5.1 per cent, and records show that by March of 1978 the rate was 8 per cent.

Now the minister states that there are 36,000 AHOP accounts under administration. One year ago there were 39,000. Changing the definition does not remove the fact that there are hundreds, if not thousands, of AHOP purchasers

who are now having difficulties in meeting their shelter expenditures. It is a common joke within the Central Mortgage and Housing Corporation that the minister is operating the best key club in Ontario because people just mail in their keys.

Meetings called "disaster meetings" are held at the Central Mortgage and Housing Corporation with regard to AHOP foreclosures, but the minister will not even answer our questions about them in this House. What is even more alarming is the growing number of reports daily about lack of quality construction in many AHOP homes, in violation of the national building code. I am aware that in the spirit of good politics a man should mend his fences. If this holds true for this program, the minister had better start "fixin". The question this raises is, what does it actually mean when a project is advertised as "government approved" or "CMHC approved"? According to the minister or his ex-parliamentary secretary, the hon. member for Ottawa-Vanier (Mr. Gauthier), the slogan or advertisement "CMHC approved" means nothing. Indeed, according to the ex-parliamentary secretary, the government could not care less what happens to the houses. The only inspection which is supposed to be carried out pertains to the advancement of mortgage money. We know from the growing number of reports and the increase in the number of active RCMP investigations that the government cannot even manage this. This is one of the hidden tragedies.

How many people have driven by these projects and seen the label of the Government of Canada on them, and how many have thought that they were buying a good product? This is a serious matter which must be investigated and rectified.

I found it particularly enlightening to review another confidential study of the department which reads in part as follows:

> Provision of insurance entails appraisal and inspection of units and this served to provide a kind of guarantee to purchasers on the quality and workmanship of their unit.

The question, of course, is whether or not we can describe the kind of guarantee which is referred to in that cabinet document.

Before I leave completely the housing mortgage issue, I think I should make it clear that if the minister had anything to say last week in Toronto, one thing was clear: housing is not a priority of this government at this time. We on this side feel that housing is a basic right of every Canadian, and to us it is priority.

If the so-called Canadian housing crisis means anything, the lack of affordable and meaningful choice is its characteristic. Many Canadians have been forced into the no housing choice position in which a third to one half of their regular income goes for shelter. In this process they do not necessarily gain better quality but may be forced into accommodation which is considered by any set of criteria to be substandard. The changing pattern of ownership and tenancy is a response to what is available, not an exercise of choice.

To many Canadians this lack of choice means that the user requirements are not being met. User requirements have physical, social and environmental aspects. Physical requirements relate to a concern about the individual house and its heating, plumbing and wiring systems. They pertain to structural safety and to the development and determination of housing standards which will engender good public health. At least half the total housing stock in the 1970s was created prior to 1945, and a fair proportion of it was built in the first quarter of the century or earlier. This very substantial amount of reasonably good old housing deserves our profound attention during the balance of this century. This party feels very strongly that this is a priority.

User requirements, however, should be seen in a much wider context. A dwelling is located in a neighbourhood, and much more attention should be paid to the wider environment as one of the important aspects of user concern. Therefore, user requirements must be conceived as social and environmental in nature rather than merely physical.

One of the toughest tasks for business today is to foresee what tomorrow's customers will want to buy. The industry with the bleakest outlook is housing, and that has ominous implications for the rest of the economy. That is why mortgage interest deductibility and property tax deduction proposals are part of our policy. We care about the economy as well as about housing.

Earl Bederman, assistant vice president and economist for the Permanent Trust Company, has said:

> The future for housing isn't what it used to be. The annual population growth from now until the end of the century will be 1 per cent compared with 3 per cent of the 1950s. Actual requirements for new housing will take a dive in the mid-1980s.

Bederman estimates that by the end of the century requirements will be 40 per cent lower than they are today. Over the long run, and I quote again:

> Real estates markets are likely to get more fragile.

As house prices decline, home owners could find themselves with high mortgages but lower equity. We are getting very close to the point where equity-carrying cost ratios will tilt in favour of more walk-away situations and outright defaults. Price declines in the order of 25 per cent to 30 per cent cannot be ruled out. That is why we have to have a review of AHOP, and we must look very carefully at graduated mortgage payments.

What opportunities there will be in construction should be in smaller-sized homes, duplexes and row housing. The renovation business will boom. It already accounts for 35 per cent of the residential construction market, and analysts feel that it will continue to be the fastest growing sector over the next few years. This must be encouraged by the federal government.

Experimentation in the social and environmental aspects of user requirements should be actively encouraged. Experimentation is required at four levels: the street, the immediate neighbourhood, the subregions within an urban area and the broader community. In short, we must have emphasis on experimentation. Funds must be made available which make much more possible active experimentation in new ways of building our communities. To this end, government and businesses must provide the funds necessary for experimentation to adapt our communities to new forms of living in the remaining

part of this century. We must find incentives for the unorthodox builder. The "thou shalt not" philosophy should be replaced by a policy of encouraging social and physical innovation. The Central Mortgage and Housing Corporation and the provincial housing corporations are in a strategic position to provide leadership in such an effort.

● (1550)

The great tragedy is the wasted years of this ministry. I find it strange to read again the comments which the minister made last Friday. Never once did he mention what was going to happen to the people, the policies and the projects that had been started in the ministry. Who is going to care for this in the federal government when the ministry is phased out on April 1? What will happen to CMHC? It is one of the saddest things to have to stand here today and comment about that wonderful organization of the past called CMHC. The minister seems to want to change its name, and I wonder why.

In the question period I asked for an investigation into CMHC by the Auditor General because I believe we must clean up a sad and desperate situation out there. It is rather hard to read into the record what has happened to CMHC under the direction of the minister. I could talk about York Place, luxury hotels, Cloverdale, I could mention Virginia Park, the great home insulation program that never got off the ground, that great tragedy called Walter Rudnicki, the $15,000 staff tournaments, Quigley Road, and land banking. I could read into the record the series of five articles in which the Hamilton *Spectator* wrote about such things as $500,000 for 12 basements, the RCMP probe into housing disasters, 150 Sanford, how the developers' pie was sweetened. But what I need to read really is the very fine editorial which appeared in the *Spectator* of February 3 entitled "Time to Evaluate CMHC". It reads:

When short-term political considerations become more important than good planning and competent management, taxpayers can expect to find themselves footing the bills without receiving any benefits.

In a probing series of articles published last week, Spectator reporter. John Kernaghan revealed how the corporation has been used as a political tool for several years now. As a result, CMHC may have wasted millions of taxpayers' dollars over the last ten years.

If CMHC had stuck to its original purpose and remained a lending institution, chances are it would be a respected and substantial part of today's housing industry. However, government pressures for social involvement and the consequent use of CMHC as a way to influence voters through such programs as low income housing projects, native housing projects and modified handouts such as the Assisted Home Ownership Plan have left the Crown corporation with some major, and unnecessary, financial white elephants on its hands.

CMHC's current problems apparently stem from a combination of political pressure coupled with a lack of ministerial responsibility and an absence of accountability . . . On the other hand, there is also considerable evidence that the federal government frequently ignored the recommendations of CMHC inspectors and officials.

We have terrible tragedies which should be investigated, Mr. Speaker. There is one called 150 Sanford. I believe that there should be an immediate investigation into this area. The editorial goes on to read:

As a first step in cleaning up CMHC's problems, the minister responsible for the agency must exert control over the corporation's plans and its budget—

Finally, CMHC should not be used as yet another job creation agency or as a vehicle for social form. Its original purpose was to provide funds to home owners, not to developers, and it should return to its role as a funding agency.

To a great extent, the problem stems from the present government's lack of coherent planning and its tendency to distort valid programs to political ends. The unemployment insurance scheme and CMHC are prime examples of the messes that can result.

Since Canada now has a declining birth rate and a temporary housing surplus, it is an ideal time to have the Auditor General review the management policies of CMHC and determine how well taxpayers' money is being spent.

Some hon. Members: Hear, hear!

Mr. Whiteway: The minister will not do it.

Mrs. Pigott: We have asked for it.

Mr. Whiteway: Maybe he is having a press conference to resign.

Mrs. Pigott: To come back to my comments, sir, may I point out that policymakers must come to recognize that we have a considerable technical knowledge of house building, of the servicing of land and of the provision of physical facilities within a house, on a street or in a neighbourhood, but that we have very little knowledge about meeting people's social and community needs. A major objective is to obtain that knowledge.

This is not to say that we should attempt to obtain this understanding in isolation. Whatever experimentation is going to be tried should be intimately embraced within the systems approach. It should be part of the effort to obtain a better understanding of the urban system. Already many innovations have been made in Canadian urban life. What has often been lacking is the monitoring of these innovations. It is only through organized and systematic monitoring of experiments that answers can be obtained on what works and does not. Probably the major concern that needs to be addressed in housing today is the affordability problem and the promise of industrialization within the housing industry. It is to their credit that the industry has been able to produce as well as it has within the constraints that have developed around it and within it.

However, increased attention must be given to the regional variations in housing construction. As well, qualitative criteria for human habitations must be incorporated. It can no longer remain a policy of guaranteeing mortgage risk only to have the house deteriorate some months after the work is finished. The national building code should not be a static document. Input must come from architects, scientists, psychologists and many others in the formulation of a realistic code that will reflect regional quantitative and qualitative standards for housing.

Other constraints include financing, training and land assembly. I should make reference to the land component. Although a recent study, the Greenspan report, indicated that it was a mistake for government to have initiated land assembly programs when they did, the fact is that affordability and choice could be bettered if policies were launched which utilized the public funded land banks now in existence. We must address ourselves to land banks. We have close to $1

billion invested in them and there should be a well thought out plan for them. I speak with experience because Carlsbad Springs in my constituency is one of the saddest blots on our history. The land there was brought by Mr. Teron before the 1972 election. What happened is that many of the good market gardeners of this region who were displaced, first, by the green belt went out to Carlsbad Springs and were then displaced the second time. People have not received fair compensation, but that is not the only issue. The sad thing is they cannot get a long-term lease and they have no idea what is to happen to that land. Why invest a second time in your life in a good farm if you do not know what the future is?

Mr. Francis: Mr. Speaker, may I rise on a point of order?

The Acting Speaker (Mr. Ethier): I cannot recognize the hon. member, he is not in his proper place in the House.

Mr. Francis: Yes, I am, Mr. Speaker.

The Acting Speaker (Mr. Ethier): My humble apologies.

Mr. Francis: I am sure the hon. member would like to acknowledge the fact, with regard to her reference to Mr. Teron, that he did not join CMHC until 1973. Therefore he could hardly have acquired the Carlsbad Springs area in 1972 when he was in private business.

● (1600)

Mrs. Pigott: I am glad to see the hon. member for Ottawa West (Mr. Francis) being so close to this side; it is wonderful. Perhaps I am mistaken but I think the hon. member would find that Mr. Teron put together the whole—

Mr. Francis: The hon. member is mistaken.

Mrs. Pigott: I will continue, Mr. Speaker. Returning to the area of land banking, in the long run the forms and procedures for those measures of public ownership which might be required must be the object of study and consultation among the three levels of government. Although this and other improvements should be considered, I should like to emphasize that a fundamental reconsideration of housing policy is required if technology is to be employed adequately.

The absence of an effective national policy for public deployment of land and for application of up-to-date concepts of land usage ultimately must be remedied. Otherwise, alternative policies will be mere stopgaps to be eroded as the built-in constraints take a toll on the national effort. As a parliamentarian, I realize there is an urgent necessity to find a new role for government, sensitive to the complexities of contemporary urban problems.

In the interest of freeing the creative potential of government, I am suggesting a major retreat from processes of heavy bureaucratic supervision of urban programs involving two or more levels of government. Governments as providers of public services must recognize that passing papers of approvals and counterapprovals is a costly, soul-destroying process which can grind the system to a halt. Changing the style of governing will take a new sense of maturity, but trade-offs in the way of greater productivity and rationalization of roles should more than offset the imagined losses of control.

One by-product of the new style would be the releasing of provincial and federal governments to concentrate on public policy issues appropriate to their place in the total government system. In urban policy these would be issues related to broad development patterns, the structure of population, employment and services, and the structure of underlying financial allocations and industrial strategies which reverberate on the entire urban system. These sentiments are echoed in a book entitled: "Changing Canadian Cities—The Next 25 Years" by Len Gertler and Ron Crowley. This book contains one of the best quotations concerning urban policy which I have read in a long time. In part it reads as follows:

> Looking at the evolution of policy and government I cannot resist the observation that Canadian urban policies are unfulfilled. As a nation in search of a formula to stay united, we are still attempting to carry over into this age of uncertainty the attitudes and styles of government from long ago. The adjustment we make to the demands of our time may determine whether the chroniclers of 2000 A.D. will characterize our period as the "age of wisdom and mature democracy" or of "mismanagement and misguided authority".

The government has failed in controlling inflation, in creating employment for hundreds of young people, and has also missed one of the greatest opportunities of this decade. By concentrating on housing starts the government missed laying the groundwork and planning for Canadian urban living in the 1980s and 1990s. It did not concentrate on affordability and quality of shelter. It did not listen to the grassroots of the nation, the people who want to create community living which will make urban centres liveable and maintain the fundamental social building blocks which make up our society: the family unit, school, church, the work place and the municipal hall. Such a close relationship would maintain and foster the great democratic way of life in this young nation.

The Minister of State for Urban Affairs has failed miserably. I should like to refer to a document entitled: "Report Card for Ministry of State for Urban Affairs". It is the report card of a student, "André Ouellet". The report card refers to various subjects. Under the subject "AHOP" the grading is "poor". Under the column "Comment", it reads: "Course dropped—all government students were failing!" Under the subject "ARP", the grading is "fair" and the comment reads: "Mediocre course with questionable benefits".

An hon. Member: Oh, oh!

Mrs. Pigott: I think hon. members opposite should read the report card. Under the subject "CHIP and NIP", the grading was "good" and the comment reads:

> CHIP—poorly attended.
> NIP—needs substantially greater funding.

Under "Community Services Program", the grading is "poor" and the comment reads:

> Student should register with the provincial instructors before intruding into their classroom.

Under "CMHC", the grading is "poor" and the comment is: "Course is in a mess—should be investigated". Under "Federal-Provincial Relationships", again the minister failed and the comment reads as follows:

Student lacked the basic skills required for this course—namely co-operation, consultation and agreement.

Under the subject "Graduated Payment Mortgage", again the minister failed and the comment indicates that the "student should drop this course immediately". Under the subject "RRAP", the minister received a "good" grading, but the comment reads: "Needs more effort and greater attention". Under "Attendance", the comment reads:

Student should attend to his duties rather than politicking in Quebec.

Of course that is what the minister is doing today.

Under the subject "Appearance", the minister has received another "good" grading and the comment reads: "Student looks good". Under "Administration", the grading is "poor" and the comment reads: "This trait is noticeably absent from the student". Under "Creativity", the minister receives an "excellent" grading with the following comment: "Student is unsurpassed in dreaming up new schemes". The minister receives a "poor" grading under the subject "Punctuality".

An hon. Member: What is your policy?

Mrs. Pigott: Our policy is to get the economy going with mortgage deductibility; that is our policy.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mrs. Pigott: The comment under the subject "Punctuality" read: "Student is often late for period of oral questioning".

Some hon. Members: Right on!

Mrs. Pigott: The last page of the report card reads as follows:

It is the decision of the testing committee that André Ouellet—

The minister does not pass with honours, does not pass with distinction, does not pass, does not pass on condition, and does not fail. Instead, under the notation "Other" the following appears:

André is required to take a minimum of four years remedial training in opposition.

Some hon. Members: Hear, hear!

An hon. Member: A wonderful report.

The Acting Speaker (Mr. Ethier): The hon. Parliamentary Secretary to the Minister of Finance (Mr. Martin).

Mr. Martin: Mr. Speaker, I wonder if the hon. member would permit a question.

The Acting Speaker (Mr. Ethier): Will the hon. member for Ottawa-Carleton (Mrs. Pigott) permit a question?

Mrs. Pigott: Yes, Mr. Speaker.

Housing

Mr. Martin: I know the hon. member was a member of a recent parliamentary delegation which went to Washington. A little earlier the hon. member spoke very eloquently in support of the principle of the deduction of mortgage interest for income tax purposes. I know this policy has some trouble finding complete acceptance on the other side of the House. I am thinking of the hon. member for Rosedale (Mr. Crombie) or any member who is from an area with many apartment homes. What was the general consensus the delegation received from the various distinguished people whom they saw in Washington as to the advisability of such a policy? How did the Americans feel about it?

Mrs. Pigott: Mr. Speaker, I am delighted to have this opportunity; I have been hoping for it all afternoon. We went into the office of one congressman who had been 14 years in Congress. We talked to him about the policy.

Mr. Collenette: Name him.

Mrs. Pigott: He is a congressman from upper New York State.

An hon. Member: Nobody knows the hon. member's name either.

Mrs. Pigott: In any event, the congressman indicated that the American's dream is to own a home. This is part and parcel of the motivation of many Americans. They dream of owning their own land and, using the words of my Scottish grandmother, their own "but and ben".

Mr. Corbin: Mr. Speaker, I rise on a point of order.

• (1610)

The Acting Speaker (Mr. Ethier): The hon. member is on a point of order.

An hon. Member: Mr. Speaker, she is answering a question. It is not a point of order.

The Acting Speaker (Mr. Ethier): Order. The parliamentary secretary sought the floor to ask a question and the hon. lady is answering that question.

Mr. Crombie: Take them one at a time.

Mrs. Pigott: I will try. This man went on to say that owning your own home has been one of the dynamic measures which produced the great economy of the United States. It was one of the things which I noticed about the politicians. I will agree that the economists did criticize the issue, but in talking to them privately they all said it was one of the things which they could not change because it was so fundamental to the beliefs of the people of their country that they should own homes.

Mr. Hnatyshyn: We have a social conscience on this side.

Mrs. Pigott: Secondly, we asked about the renters. My friend has also said that this policy did help the renters because one third of all renters want to own their own home,

one third of the renters are people with special social problems who need assistance, around which the programs should be designed, and the other third are senior citizens who have no wish to own their own home.

Some of my colleagues had a very difficult time in Washington because they knew in their hearts that things were not as they seemed. I ask hon. members in this House if they have ever talked to a revenue man who wanted to cut taxes. I have never talked to a revenue man who wanted to cut taxes, so I discounted the people from the revenue department.

There are so many economists today with their ideas. I listen to politicians because politicians know what the people want, but not the others.

An hon. Member: Some of us do.

Mrs. Pigott: The good ones on this side do. I hope that answers the hon. member's question.

[*Translation*]

Mr. Corbin: On a point of order, Mr. Speaker. The hon. member quoted a member of the U.S. Congress, a New York State representative. It is the practice in this House when quoting someone to give the person's name. I wonder if the hon. member could name the U.S. congressman she claims to be quoting. I think this is important for the current debate.

The Acting Speaker (Mr. Ethier): Order, please. The hon. member referred to a certain New York State senator or governor but did not quote him. As she did not specifically quote a New York State governor or representative, this rule does not apply.

[*English*]

Some hon. Members: Oh, oh!

Mr. Paproski: Go back to sleep.

[*Translation*]

The Acting Speaker (Mr. Ethier): The hon. member for Madawaska-Victoria on a question of privilege.

Mr. Corbin: Mr. Speaker, the deputy whip of the Progressive Conservative party is harassing me, He is not even in his seat. He told me to go on sleeping. I would like—

[*English*]

The Acting Speaker (Mr. Ethier): Order. I think that all hon. members will agree that if the Chair had to rule on remarks shouted from the various sides it would be very difficult. We rule only on matters relating to hon. members who have the floor. I now recognize the hon. member for Winnipeg North (Mr. Orlikow).

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the Minister of State for Urban Affairs (Mr. Ouellet) told us in his speech last Friday that Canadians are among the best housed people in the world, that there is no housing crisis in Canada, that we have an acceptable level of housing production and that the cost of housing is within the financial capacity of those who live in homes. It was such a pleasant and complacent picture that some of us, I am sure, were wondering why we have any housing programs at all and, indeed, whether any are needed.

There is a great deal of distance between the minister's picture of Canadian housing and the experience of the poor people in Winnipeg and elsewhere. Just two years ago the then chairman of Central Mortgage and Housing Corporation, Mr. Teron, made a speech in Calgary in November 1976, and he was quoted as saying:

> When 280,000 families in Canada pay more than 50 per cent of their family income for housing, 550,000 families in Canada pay more than 45 per cent, 820,000 families pay more than 25 per cent, and two-thirds of Canadians in need of housing cannot afford to buy or rent without a subsidy from their fellow man, we have a fundamental problem—we must take reasonable action now, or more drastic action later.

Has the situation changed in just over two years from the time Mr. Teron made that speech? Just over a few weeks ago there was a special report on housing which appeared in the Winnipeg *Tribune* which said among other things:

> Several thousand Winnipeg families, including about 3,000 headed by single women, face a bleak winter in housing conditions described as "poor," "substandard" and "dumpy," while three levels of government back away from the low-income housing problem.

Recently, there was a strange situation in my city where the city council, composed mostly of Conservatives, refused to go ahead with a $1 million low-income housing project, despite the fact that in so doing they were rejecting substantial amounts of money offered by the federal government and the provincial government. The federal response to the reality of low income policy was nicely summarized by a CMHC regional economist in Winnipeg, Mr. Karl Falk, who said:

> Our official party line is that housing is a provincial matter, we are only in there by default.

No provincial government has the financial resources to singlehandedly tackle the housing problem, but we in Manitoba must deal with a Tory provincial government which has not authorized any new family public housing since it took office. They want to see if there is a need, according to the chairman of the provincial housing corporation, before they go ahead.

One group which the minister did not listen to while deciding that Canada has no housing problem is the Institute for Urban Affairs in Winnipeg which, incidentally, is headed by a very prominent Liberal, Mr. Lloyd Axworthy, the man who they would like to see as a Liberal candidate in the next federal election and who spent several years in Ottawa as special assistant to the then minister of housing, Mr. Hellyer. The institute's assistant director said in the same issue of the *Tribune*:

> It leaves me very disturbed because someone has to take responsibility for making sure housing needs are met. No one seems willing to play that role, and the private sector is not going to pick up the slack.

That is what that institute thinks of the federal government's so-called housing policy.

There is a great deal of slack in the Winnipeg housing situation which could be taken up. A recent report found that my city has both a large stock of older, poor quality, deteriorating housing in the inner city and an inner city community which is deteriorating in strength and vitality. Thirty-seven per cent of Winnipeg renters pay more than one quarter of their income on rent, a situation which is worse only in Vancouver among the major Canadian cities. People in Winnipeg see nothing in the housing situation about which they can be complacent, despite what the minister said last Friday.

What will be the effect of this bill when it is enacted? This bill will implement the changes which were included in the amendments to the National Housing Act last May under the title "New Directions in Housing." This statement called for a number of things, among which were included:

—an end to the generous aid to co-ops and non-profits started during the minority parliament and its replacement by less expensive subsidies.

—an end to rent supplements (50-50 federal-provincial) for co-op, non-profit, provincial or municipal housing units.

—an end to loans to provinces or municipalities for the construction of public housing and to the 50-50 sharing of operating losses in such projects; CMHC will continue to offer provinces a partnership arrangement in public housing (federal government pays 75 per cent of capital cost and operating losses).

● (1620)

The provinces do not care much for this option as it involves too much interference by Central Mortgage and Housing. One of the goals of the new directions was supposedly to end this type of interference.

There is also an end to the assisted home ownership program and an end to the assisted rental program—both of which received such glowing comments when they were proposed by this government—and the introduction of the graduated payment mortgage which was insured but not offered by CMHC. Like AHOP, it simply postpones the monthly mortgage payment you cannot afford now to a later date when your situation will be even worse.

There was also the expansion of the types of mortgages which CMHC can insure to make up for the fact CMHC no longer lends money. There was an expansion of the residential rehabilitation program, but without the funds to implement it. There was an end to the municipal infrastructure program for water and sewer construction, the municipal incentive program which provided grants for medium density housing, and the neighbourhood improvement program and its replacement by the community services program which provides less money for a wider range of projects.

I should like to quote again from the article in the Winnipeg *Tribune* of January 31, 1979, on the effect of just one of the proposals. Referring to the non-profit housing program, the article reads as follows:

Under the old program, CMHC provided low interest loans for such non-profit housing corporations as the provincial government's MHRC and native people's KINEW. While it attached the string of rents held to 25 per cent of tenants' incomes (where rental housing was involved), it made that string elastic through rent supplements. Under the new program, financing must be obtained through the private sector—

The private sector does not want this burden.

—although the federal government will provide generous interest reduction grants. But to qualify for the grants, the non-profit corporations must meet the 25 per cent rental requirements without the elastic feature of rent supplements. Section 44-1B of the National Housing Act, which provided for rent supplements to fill the gap between the cost of housing and the 25 per cent of income standard of affordability, has been discontinued.

Stan Fulham, head of KINEW—

KINEW is a native housing organization which has done a very fine job of providing housing for native people in Winnipeg.

—the non-profit corporation geared to provide housing to native people, figures the program won't be much help for low income families. "Even with a two per cent interest rate, you're still taking $200 or more a month. So for the low income people, it's no help. KINEW's going to be forced to discriminate. If there's no subsidy available to them, they just won't be able to afford our housing. They'll have to take substandard slum housing."

That is what one of the most active groups which provides housing for people in Winnipeg who cannot afford housing in the conventional way has to say about the government's proposals.

I want to look now at the community services program which groups together all the old programs such as non-profit housing, co-operative housing, sewer and water extention, the neighbourhood improvement program and so on. The government says it is willing to adopt a global approach to its financial aid to municipalities, and to achieve this it proposes to take ten individual programs, each of which requires well in excess of $25 million for Canada as a whole, and lump them together to produce what it calls a new global approach, for a maximum of $250 million per year instead of the $339 million which was allocated for all these programs last year. That is an economic sleight-of-hand. The government expects the provinces and the municipalities to thank them for this.

The federal government has indicated that it wants to produce flexibility and wider latitude for the provinces and municipalities in using federal funds, to enable federal assistance to better respond to local needs and conditions, to reduce duplication and to ensure that assistance is available equally to all provinces.

We must look beyond the kind of rhetoric the minister used last Friday. As we have seen many times before with this government, rhetoric and action are clearly two different things. To the extent that this program is obviously long on rhetoric, it is correspondingly short on action. It is particularly short on funding, Mr. Speaker, which, as I have already indicated, has been cut back very substantially this year because of the government's restraint program. It uses expressions like "great" and "ongoing", but what do they mean? In 1973, after an irresponsible delay of five critical years during which urban renewal programs were cut off, the new NIP program was brought forth. In 1978, almost before most municipalities learned to make effective use of the neighbourhood improvement program, the government took it away, merging it with such a variety of other demanding programs that it will be, in effect, emasculated.

A close look at the neighbourhood improvement program and its operation shows exactly how it was emasculated. Under the old legislation, if an area was designated for improvement under NIP it was automatically eligible for the residential rehabilitation assistance program. Now under the community services program there is no guarantee that RRAP funding will be available to people in the neighbourhood improvement area. The neighbourhood improvement program will fail without those rehabilitation funds. That failure will be felt by the residents of neighbourhoods in the Winnipeg area such as the Chalmers area in Elmwood and the Daniel McIntyre area in west Winnipeg. These areas had hoped to be able to benefit from the program which since 1973 have made a great difference in other Winnipeg neighbourhoods which have benefited from the start of them.

The necessity of keeping the automatic link with the neighbourhood improvement program and the residential rehabilitation assistance program was illustrated in the Point Douglas project, a Winnipeg neighbourhood which had become quite run down. There are between 650 and 700 dwellings in that area. They received 480 RRAP loans with the result that it is now a much better neighbourhood for people to live in and to raise their families. The same thing can be seen in other neighbourhood improvement programs around Winnipeg. Point Douglas received RRAP grants for 70 per cent of the homes. There was also RRAP funding for 280 homes in the Centennial area, representing between 50 per cent and 60 per cent of homes in that area. In St. Boniface 40 per cent of homes under the NIP program received RRAP funds. It is estimated that under another NIP program in the William Whyte area about 80 per cent of the homes will need RRAP money for rehabilitation. This is at a time when the government has decided to cut back on the amount of RRAP funding and make it more difficult to obtain.

There has been a direct relationship between the use of funds to improve a neighbourhood and funds to rehabilitate the housing in that neighbourhood. However, community services grants for those two purposes will not be automatically linked. They will just be part of the many deserving programs that must suddenly make do with a much smaller global budget. This is going to deny the chance of real improvement to many neighbourhoods in Winnipeg. What is true in Winnipeg is true in other cities across Canada. The government does not care. Instead of worrying about these neighbourhoods it is involved in a game it has been playing for years—offer the neighbourhoods, the communities and cities of Canada lots of sizzle and when they try to taste the steak, pull it away.

For the past ten years, in fact for the past 35 to 40 years, extensive areas of housing and urban development have been built in this country without adequate storm sewers, community facilities, solid waste disposal, urban transport and many other essential services. For the past three years, for example, AHOP has been touted as a great solution for moderate income housing. But housing in what kind of urban environment? In my own area the best municipal officials can suggest, to prevent a brand new AHOP and NHA financed housing project from having basements flooded with raw sewage five or six times a year, is to fill a nearby artifical lake built for storm water retention and to divert raw sewage into it. What a commentary on the kind of planning this government has done in recent years!

[Mr. Orlikow.]

● (1630)

This housing was built by developers who are well known supporters of the Liberal party. It got CMHC approval and encouragement to build on lands which were totally inadequate with respect to storm and sanitary sewage facilities.

With problems like this burgeoning in urban developments across the country, even if $100 million out of the proposed $250 million was used to correct problems such as those which have been created in my constituency, it would be barely enough to finance a fraction of what needs to be done to correct damage resulting from poorly administered NHA programs.

In other words, the Liberal government in Ottawa wants to bail out and leave the province and municipalities with inadequate funding to clean up the mess left by its ill-conceived programs. Furthermore, in the mad rush to get starts in place, no precautions were taken. Its funding arrangements are not even equitable in terms of the population of the regions of the country. In Manitoba's case, instead of receiving $12½ million it has been offered only $10 million.

Before getting away from this subject, I want to warn the minister that as a result of a decision handed down last week by the Supreme Court of Canada which held that a municipality which had drained part of a suburb of Ottawa without taking adequate precautions so that homes already built had substantial damage done to their foundations was responsible for this situation and would probably have to pay damages. I hope that the residents of my area will go after the city and the developers who were so negligent that they built over 1,000 houses without providing for the run-off of rain water, which resulted in houses being flooded, although they should have known and I think did know that they were not providing adequate storm sewers for the area.

What about Canadians who presumably manage to purchase their own homes? Despite what the minister said, Canadians are house poor. The high cost of housing is absorbing a large portion of an individual's total income every year. We had better start looking carefully at our assumptions concerning housing and land. Since 1945 the single family dwelling located on a large lot has become the ideal form of housing which most Canadians aspired to. In the 1950s it was possible for the average Canadian to own his own home. A generation later his sons and daughters cannot do the same thing.

Each week I receive a list of new homes purchased in the city of Winnipeg. I look particularly at the ones purchased in my own constituency. From this list I can see people who are buying homes at prices of $60,000, $70,000, $80,000 and $90,000, and I wonder how they will manage to make the mortgage payments on those homes. They have committed

themselves for the next 25 years to monthly payments that run anywhere from $300 to $600 a month. This is a burden which many of them will find impossible to carry in the next few years.

In spite of the increase in family income since 1961, the ability of people to afford a house in those cities has actually decreased. A study done in Winnipeg comparing 1961 and 1975 prices found that family incomes had increased by 100 per cent in that time, but the price of a new house in the suburbs had increased by 152 per cent. And if you add to that the increase in monthly payments which reflects both higher housing prices and higher mortgage interest rates, the increase was 219 per cent.

Right now the average price of a house in metropolitan Toronto is $68,500 and it is anticipated that the price will rise another 7 per cent to 8 per cent over the next year. In the central core it is even higher; the average there is $80,000. With mortgage rates now at a high of 11.25 per cent, the dream has become almost unattainable. Just who is buying houses?

In the few Canadians cities where suburban lots are still reasonably priced, moderate income families can still afford suburban single family houses. In 1976 in Halifax 66 per cent of all new house buyers under NHA had incomes of less than $15,000. In Saskatoon 56 per cent of all new house buyers had incomes less that $15,000. Those were two cities where some lots were controlled by municipal government. But in cities with high land prices the figures are very different. In Toronto only 7 per cent of new house buyers had incomes less than $15,000. In Winnipeg it was 8 per cent and in Edmonton only 4 per cent.

It would appear that moderate and low income families are unable to afford the great Canadian dream of owning their own homes. The housing market presently caters to the middle and upper class. Today's typical family needs an annual income of nearly $30,000 to buy a new home in metropolitan Toronto. One of the reasons for the very substantial increase in the cost of a home in Canada has to do with the cost of land. That is something we should be looking at very carefully. The cost of raw land has increased, but in the total cost of lots it is a relatively modest factor.

It has been the practice of many developers to assemble private land banks in anticipation of future needs. What one CMHC researcher discovered is that a small number of developers hold enough land to supply all new suburban lots which will be required for the next five to 15 years. And because they control the land assemblies, a few developers are able to control the market in ways that lead the price increases for suburban house lots. Between 1971 and 1976 house prices have doubled in most cities. The price increases are not from higher costs of production, but rather from increases in profits developers have made on the land. A recent study has documented that profits by the large suburban land developers added $7,000 to $10,000 to the price of new $50,000 homes in Regina and Winnipeg. In cities like Vancouver, Calgary, Toronto and Ottawa profits added $15,000 to $24,000 to the price of a $60,000 home. Just west of Toronto the Peel housing task force found that profits on lots were 22 per cent of the final selling price of the house.

It is large land owners making windfall profits on the sale of their property who are escalating the cost of housing. Land, urban land in particular, we believe should be treated as a scarce resource in much the same way as other natural resources. Under the present system we are allowing a few people to effectively control the supply and cost of land. But it is not only the cost of housing that they control; they also dictate the options as to the kind of housing available. It is either housing everyone wants but few can afford, or housing that everyone can afford but few want.

If hon. members doubt my charge that the developers are making exorbitant profits, let me quote from an article which appeared in the Winnipeg *Tribune* dated October 31, 1978. This article was written by Val Werier who writes a column almost every day in that newspaper. It reads:

> In northwest Winnipeg—

This is an area within my constituency.

> —a market gardener sold his 32 acres in 1973 for $64,000, or $2,000 an acre. In 1977, the new owners were listing it at $500,000. This year they are asking $688,000 or about $21,000 an acre.

● (1640)

That is quite an increase in just six years. The article goes on to say:

> Within the past five years, the asking price for some land in the northwest corner of the city has risen tenfold, according to one real estate agent.
>
> "The speculators are taking homebuyers for a ride because of the high price for land," he says.
>
> The real estate agent notes, for example, that eight acres were sold in 1975 for $72,500 near the site of the Seven Oaks hospital, now under construction. Today, the asking price for this raw land is about $400,000 because the new owner can capitalize on the huge public expenditures in the form of a hospital. The hospital will attract new developments such as apartment blocks.

That is the situation which we now face. The survey of housing units has provided new and up-to-date data that permit a better identification of the number of households suffering from some form of housing need, either dwelling unit inadequacy, overcrowding or problems of affordability. Overall about 60 per cent of all households in urban Canada had none of the above problems in 1974. About one third, or 1,025,000 households, have one problem only. Another 7 per cent encountered two or more problems and therefore had serious shelter inadequacies.

Of the approximately one third of 1,025,000 households that were suffering from some form of housing deprivation, 180,000 were living in inadequate dwellings, 298,000 were overcrowded and 547,000 were paying more than 25 per cent of total household income on shelter. Affordability therefore emerges as the largest single housing problem. Yet, Mr. Speaker, in his speech the minister did not pay any attention to the question of affordability. Listening to the minister, one would assume that he believes no one in Canada has any problem with affordability.

What is the major lesson to be learned from these facts? Any policy in the housing field that does not deal with the power of the financial institutions and large developers who are ripping people off is bound to fail. For that is the major source of the problem, and that is my major objection to the Conservative proposal which simply allows for the deduction of mortgage interest from income tax. On the surface this seems like a great idea and it certainly means that home owners, or those wanting to buy a house, will be in a favourable tax position in comparison with those people who are tenants or who do not have mortgages.

But the scheme has drawbacks. It will increase housing prices and the profits of developers; it will not do anything about prices and the profits of developers; it will not do anything about high interest rates or high bank profits; and it will represent a real drain on government revenues. Economists estimate that the immediate loss in tax revenue will be in the neighbourhood of $3 billion. This would represent an increase of 25 per cent of our national deficit.

The lead-off spokesman for the official opposition spent a good deal of time quoting editorials which criticized the government. I want to put on record the first part of an editorial which appeared in the February 24 edition of the Toronto *Star*, a newspaper which it is rumoured will be endorsing the Conservative party in the next election. The article is headed "Tax Gifts Won't Help Housing". I quote:

> Worried about the appeal of the Conservatives' pre-election promise to make home mortgage interest tax deductible, the federal Liberals have now come up with a bonanza of their own.
>
> But both the Liberal and Conservative plans are wrong-headed. They don't get at the root of the problem—how to enable more people to buy their first home. Instead the two political parties, while talking fiscal restraint, are competing to bribe the taxpayer with his own money in programs that will cost more than a billion dollars—
>
> Both the Conservative and the Liberal proposals have the same flaws. The Tories' is worse because it gives most to middle and upper income groups. But both sacrifice substantial amounts of government revenue which will have to be made up from some other taxation source. And they fail to deal with Canada's real housing needs.
>
> There are two real needs. One is felt by young couples wanting to buy their own homes who, with incomes in the $14,000 to $17,000 range, can't afford the $385 monthly payment that's needed to pay off a 25-year, $40,000 mortgage with an 11 per cent interest rate.
>
> The other need is that of elderly pensioners, welfare recipients and minimum wage earners who can't even dream of buying their own homes and who must have some form of assisted housing if they are to be able to live decently.
>
> The way to meet these needs is not to give up tax revenues by offering deductions or credits but to use the money to put affordable housing within reach of the two groups.
>
> It's been estimated, for example, that Clark's proposal for mortgage interest deductibility would cost the federal treasury $1.6 billion a year when it's fully in effect. By contrast, it's also been estimated that it would cost much less—$250 million a year—to provide subsidized 8 per cent mortgages for families earning $20,000 or less a year and buying their first homes for $50,000 or less.

That is what the Toronto *Star*, which has usually supported the Liberal party but apparently is going to switch its allegiance, had to say about both the Liberal and Conservative proposals.

I have already commented on the unconscionable profits made by developers in the business of developing land for future housing. We cannot overlook, however, the exorbitant profits made in recent years by Canadian banks, much of it a result of the high interest costs charged for consumer loans and mortgages.

[Mr. Orlikow.]

Profits of nine of the 11 chartered banks after taxes were $732 million in 1977 and $975 million in 1978, an increase of 33 per cent in one year. That is the bank's answer to the government's appeal for restraint. A study for the Economic Council of Canada by Professor Mintz of Queen's university indicated that excess profits by the banks in Canada in the period 1967 to 1973 were between $200 million and $500 million.

We believe provision should be made in the Bank Act and the National Housing Act to allow the government not only to offer low interest mortgages but to force lending institutions to do the same, and also provide for low down payments.

I want to summarize briefly what we believe to be the major defects in the government's housing and urban policy and what we believe needs to be done. First, it is obvious that the government is proposing that Central Mortgage and Housing Corporation withdraw from all funding, that it stop its loans, grants and subsidies for housing and urban renewal.

The Economic Council of Canada said several years ago that the government should use housing as a tool for getting the economy moving when it is slow. When the economy is slow, as it is now, and housing is down this leaves the construction industry, an important component in our whole economic climate, slack. Instead of functioning at or near capacity, the construction industry now has great unused capacity.

We believe that housing is a basic need which should be provided for regardless of the fact that the economy is slack at the present time. We should be dealing with the question of affordability. Even if we build the 30,000 non-profit units which the minister foresees in the coming year, and which we believe is not a questionable objective but an unlikely to be reached objective, we would hardly put a dent in the need for decent housing in this country.

The graduated mortgage program is not going to work because the banks will not co-operate. In the view of one banker, that means "Permadebt". I think it was an official of the Royal Bank who said that. I suggest that is what it means because, with graduated payment mortgages, the payments for the first years will not even meet the interest and the deficit in the early years will be met later by higher monthly payments. At that point people will be turning back the houses which they purchased in good faith under this program.

● (1650)

We believe the federal government has a responsibility to ensure that there is an adequate standard of sewer and water services provided in urban centres in this country. Under the community services program which the government proposes there is no guarantee that we will have this adequate standard. We think the program is deficient in concept and even more deficient in the amount of funding the government proposes to put into it.

What we need to do, in our view, is provide funds for the projects covered by the community services program, and the $250 million proposed is not adequate. Second, we believe we should provide for co-operative, non-profit public housing. That money is not included in the estimates we have for next year. We believe the government should bring back its land assembly program.

An hon. Member: What?

Mr. Orlikow: We need to stop the rip-off which has taken place over the last number of years by developers who have made, are making and will make tremendous and exorbitant profits unless governments at three levels step in to carry out this land assembly program.

In addition, we need to provide adequate funds for the residential rehabilitation assistance program, and the estimates for next year do not provide for that. We need to force the banks to set mortgage rates at 8 per cent for families with incomes of $20,000 or less who want to buy homes that cost less than $50,000.

Those are the minimum steps we believe are necessary if we are to meet the housing needs of the people of Canada. We certainly do not see those steps in this bill and we do not see the funds provided for in the estimates we have before us for the coming year. We did not hear about these things in the speech of the minister last Friday. For those reasons we certainly intend to vote against this bill.

Mr. Art Lee (Vancouver East): Mr. Speaker, it is indeed a pleasure and an honour to participate in this debate. I should like to support these amendments to the National Housing Act for a number of reasons. During the debate so far we have heard a considerable amount of discussion in respect of the mortgage deductibility program proposed by members of Her Majesty's Loyal Opposition. Recently, as the House knows, an all party committee went to Washington to examine with U.S. representatives and other officials the issue of mortgage deductibility. The all party committee was comprised of the hon. members for Vancouver Quadra (Mr. Clarke), Ottawa-Carleton (Mrs. Pigott), Broadview (Mr. Rae), Westmount (Mr. Johnston) and Stormont-Dundas (Mr. Lumley). In a memorandum prepared by the hon. member for Westmount, he concluded:

> A recommendation of all government officials and all independent economists with whom we met was to the effect that a system of mortgage interest or real estate tax deductibility is to be avoided at all costs.

The hon. member for Westmount went on to say:

> Because the proposed deductions favour high income owners the measure is regressive, and in lieu of promoting tax neutrality it offends the principle, because it discriminates against tenants and non-homeowners. Because it selects only real estate taxes for deduction there would be a shift of local taxation into the real estate tax area with less emphasis being placed in other areas of local taxation.
>
> Because of the regressive nature of this provision the benefits derived would tend to favour owners of existing homes, providing them with more disposable incomes while doing much less for income groups anxious to enter the housing market, and doing nothing for those at the low end of the income scale without sufficient income to take advantage of these deductions. The effect of this would be to widen the economic gap between the rich and the poor, between home owners and non-home owners.
>
> Adequate studies have not been performed to determine what impact the deductibility of mortgage interest and real estate taxes would have on urban communities. For example, to what extent would the centre core properties be purchased and renovated as the result of this scheme, driving tenants and owners in these low income areas into substandard housing and substandard accommodation? What impact would this particular mortgage deductibility scheme have on the urban sprawl and on the pressure for condominiumization of apartments, with the resulting impact on our tenant population?
>
> In brief, no fiscal program which would alter the basic structure of the tax system should be introduced without the most thorough study and analysis of the kind now being carried on by the Urban Institute for HUD in the United States. Once in place it cannot be easily modified and its social consequences can be farreaching.

Because of its regressive nature I reject the proposal of Her Majesty's Loyal Opposition. Instead, I firmly believe that a tax credit system would be more beneficial as it assists low income earners regardless of whether they are home owners or renters. Also the use of tax shelters would help people like senior citizens who need more direct assistance because they are not able to have the advantage of progressive incomes.

In short, I agree wholeheartedly that shelter tax allowances will provide assistance to home owners and tenants alike through payment of a tax credit shelter expenditure exceeding a certain percentage of income in the right way. As I indicated, I support these amendments to the National Housing Act for a number of reasons. They represent a reasonable approach to housing problems across a very broad front.

I am particularly pleased that the bill preserves and extends one of the most important housing measures ever put forward here in Canada. I am referring to the residential rehabilitation assistance program, otherwise known as RRAP. I am delighted to see that the government has removed or intends to remove the restrictions from this program, that its benefits are no longer going to be restricted to certain designated areas but will apply to Canadians wherever they live. With the passage of this legislation all Canadians will become eligible for RRAP assistance within the terms of the program, and I have no doubt that the funds available to support it will be applied to more pressing needs wherever they occur in Canada.

I am not surprised that RRAP met with such immediate enthusiastic response by the people of Canada. RRAP and its twin, neighbourhood improvement, actually originated in the Strathcona area located in my riding.

If it is the pleasure of the House, may I call it five o'clock?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Turner): Order. It is my duty, pursuant to Standing Order 40, to inform the House that the

questions to be raised tonight at the time of adjournment are as follows: the hon. member for Kootenay West (Mr. Brisco)—Airports—Navigational aids and firefighting equipment for Castlegar, B.C.; the hon. member for Surrey-White Rock (Mr. Friesen)—Fisheries—Negotiations respecting Alaska coast halibut fishery; the hon. member for St. Boniface (Mr. Hare)—National Revenue—Sales tax on storm windows and doors.

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

PRIVATE MEMBERS' MOTIONS

[*English*]

Mr. Penner: Mr. Speaker, I think there is unanimous consent that we proceed with notice of motion No. 18 and that preceding notices of motions be allowed to stand and retain their precedence.

The Acting Speaker (Mr. Turner): Is it agreed that motions Nos. 7, 9, 16 and 17 stand by unanimous consent?

Some hon. Members: Agreed.

* * *

● (1700)

AGRICULTURE

ADVISABILITY OF INSTITUTING INDIVIDUAL INCOME STABILIZATION PROGRAM FOR WESTERN PRODUCERS

Mr. Stan Schellenberger (Wetaskiwin) moved:

That the Standing Committee on Agriculture be empowered to study the advisability of instituting an individual rather than aggregate program of income stabilization for the western producer, and to report its findings to the House.

He said: Mr. Speaker, over the years I have given much thought to stabilization as a means of helping farmers in all of Canada but particularly in western Canada, and as an attempt to eliminate the so-called hills and valleys in the production of commodities and in the prices producers get for those commodities. We have examined various plans in order to accomplish this. Producers have attempted to accomplish it by means of supply management marketing boards. Various government stabilization plans have been instituted and a number of income tax techniques are available to farmers, but it is my belief that members of parliament and the Standing Committee on Agriculture as a whole should take a very serious look at individual stabilization as the plan of the future in order to help farmers adequately stabilize their incomes.

Since I arrived here as a member in 1972 I have considered it a pleasure to serve on the Standing Committee on Agriculture because I have felt it has always done an excellent job of dealing with questions put before it. I remember that when it was dealing with the Western Grain Stabilization Act the committee travelled to western Canada to learn the opinions of western farmers as to whether we should have that legislation and, if we should, whether amendments or changes should be made to it. I found at that time that a number of members were questioning whether we should have aggregate stabilization, that is, stabilization of the whole area, or individual stabilization of some sort which might be better suited to regions or to particular problems.

While the committee was on that trip, this question was asked many times, and I have here a few responses from witnesses who came before that committee. One response came from the hon. John Messer, then minister of agriculture of the province of Saskatchewan. He said:

The plan does not provide individual commodity or regional income stability. No account is taken for regional, geographic and climatic factors which influence the production of various grains throughout the prairies.

When we were in Manitoba the hon. Sam Uskiw, the then Manitoba minister of agriculture, said:

It seems to me that since the proposed grain stabilization act is being portrayed as an income insurance scheme and since it is a contributory plan, farmers should know what insurance they are buying; in other words, the plan must relate to the needs of individuals, and it should be possible for individuals to determine what benefits would accrue to them if the events against which they are insuring themselves should occur.

Many members of the committee felt that the plan should be individual and perhaps administered by the crop insurance plan, which is active all across the prairies and has offices throughout the regions and people who are constantly travelling among farms. Here is a natural set-up by which an individual plan could be established. The hon. member for Moose Jaw (Mr. Neil) came up with a plan, and during a good part of the time he had in the committee he discussed whether an individual plan could be set up which could be administered by the crop insurance people. I also felt that there should be an individual plan, and I remember asking the then minister of agriculture of the province of Manitoba what his thoughts were. He stated them as follows:

If it was possible to base stabilization on the individual, that would mean that the province would have to administer it and I suspect the best way to administer it would be through crop insurance machinery that is already set up.

I do not necessarily agree that the plan would have to be administered by the province, but the then minister did state that he felt that the crop insurance people could administer such a plan.

The Palliser Wheat Growers Association stated the following:

If individual stabilization is the objective, the plan would be more effective if dovetailed with existing crop insurance programs.

I now come to the point where I must state that I fully believe that the individual stabilization method is the ultimate program for Canada, and I fully believe that if the Standing Committee on Agriculture were to study such a method, the majority of members of that committee would come to have the same opinion.

I would have no objection if we were to broaden my motion so that we could study a stabilization plan which would guarantee margins. I know that the Minister of Agriculture (Mr. Whelan) has been discussing this with the provinces. Rather than having a 90 per cent level, the minister has been discussing perhaps a 100 per cent level plus cost of production

and other changes. However, I think members of parliament should get involved in such a study because farmers face rapidly rising production costs, to the extent that tractors and other machinery now cost two to three times more than they did only five years ago.

Because we are an exporting nation, world production fluctuations have a great influence on what the Canadian farmer earns. We have to give farmers a reasonable return on their investment or they will continue to leave agriculture and flock to the cities. That is why I introduced this private member's motion today. I am asking hon. members to give the Standing Committee on Agriculture the power to study the principle of stabilization on an individual basis. By doing so, hon. members might become informed about the benefits of such a plan. We must take this opportunity to achieve improved farm income stability at the farmer level.

Hon. members might say that there are a number of programs in place at the present time to do just that, and I agree that there is some truth in that. The first ones which come to mind are the Western Grain Stabilization Act and the Agricultural Stabilization Act. Those are both aggregate plans, and they cannot take account of regional and climatic factors and decisions of individual farmers as to what crops they plant, weed control, whether they stay in hogs or increase production of cattle. They do not take account of crop markets or price, which is often determined by world factors.

Of course, there is always government interference in the agricultural sector, and an aggregate plan cannot take account of that. Those plans are slow to pay. That was demonstrated by the first pay-out under the western grain stabilization plan. It took the government a year to make its first full payment. Half of it came six months after it should have come, and the other half came a full six months after that. There is a very complicated trigger formula which must be followed before payouts can be made, and there is also some room for the minister to decide when it is most politically advantageous.

There is another factor, and that is that one commodity can have an enormous effect on whether the trigger mechanism comes into play. Under the western grain stabilization plan wheat in the province of Saskatchewan bears too heavily on the trigger mechanism, and under the Agricultural Stabilization Act regional factors are not taken into consideration. Beef prices in Toronto are always five cents to seven cents higher than they are in western Canada, and because of that the averaging mechanism does not reflect the average price of beef in western Canada. So I find that these aggregate plans do not take into account the needs of the individual farmers. When a pay out occurs it benefits them, but in many cases when the need is there the stabilization plan is not.

● (1710)

Then there are such techniques as block averaging and general averaging, but the benefits of both tend to be in the years when farm incomes are the highest and the farmers do not really need them. We have deferred cash purchase tickets which are only available to grain farmers and also are used in high income years. Some farmers can use year-end purchasing as a stabilization factor. If they have a good year, they can buy their tractors before the end of the year. We can also have deferred sales. In effect, this is an individual plan because the farmer does not have to sell his grain; he can keep it in his bins and sell it the following year. But that does not help the Canadian economy because we must bring in foreign capital by selling our agricultural produce.

Then there is capital cost allowance, which is really depreciation and has been used for a number of years to help in income control.

All these programs are available, but true stabilization for a farmer on an individual basis does not exist today.

Some farmers are now attempting to use RRSPs for their own individual stabilization, but because withdrawals are limited—you cannot make partial withdrawals under this plan—farmers have to incur the cost of setting up many plans so that when they need money, they can draw from one of the plans and still have some money available for other years. This is complex but it shows that it is really what these farmers want. They are using what laws are available now to do just that.

I have come to the conclusion that none of these plans offer the individual the type of stabilization he needs; nor do they reward efficiency or good management or allow farmers true protection in the case of individual disaster. All across Canada there are problems such as brucellosis or IBR in cattle and various diseases in poultry and hogs which cannot be covered under an aggregate plan but which could be covered under this individual type of plan. We can have a significant price drop in one commodity in western Canada, such as, for example, in barley or rapeseed, but because of the importance of wheat in the western grain stabilization plan the price drop will not trigger aggregate plans; so again these farmers will suffer.

That is why it is imperative in these times of the fluctuating dollar, inflation, world conflicts, rising input costs and increasing consumer resistance to rising food costs that we study and implement an individual stabilization plan. I believe that the committee should start by examining thoroughly the very excellent study that was done by Peat, Marwick and Partners for the Alberta department of agriculture entitled "Feasibility of an Income Averaging Trust Account". The objectives of this plan were that farmers deposit a portion of their income during high revenue years and withdraw funds in lower income years. The main objective was to stabilize the income of the individual farmers on a voluntary basis and at the same time provide indirect stabilization for rural and general economies.

The study outlines a number of concepts with which I totally agree. There are eight of them; that the minimum deposit be one year and the maximum deposit be seven years; that minimum deposits and withdrawals be $1,000 and the maximum amount of the total deposit be $100,000; that in the years that money is withdrawn, no deposits could be made; that only farmers between the age of 18 and 70 would be

eligible; that participation in the trust account would be voluntary; that only income from farming operations would be eligible; and that withdrawals would be considered non-farm income and could not be used for block averaging.

They have laid down the basis on which an individual plan could work through a great deal of study and by talking with farm organizations and farmers about what they think they need. I spoke with the unifarm people in Alberta and found them to be in total agreement that we should study the plan as the ultimate stabilization plan for farmers. The impact of the study is to help stabilize the rural economy in the price of farm supplies. This would benefit medium, large and small farmers alike, and in addition it would be of benefit to the government taxation department because revenues from farm income would tend to fluctuate less.

The study has helped us as well because it encompassed all stabilization plans that were available in various countries of the world and concluded that a plan which is now available in New Zealand best fits the idea put forward by the Alberta department of agriculture and studied by Peat, Marwick and Partners. The New Zealand plan has been in place since 1965 and is known as the farm income stabilization scheme. It allows farmers to deposit up to 25 per cent of their gross income into income equalization accounts. The concept of the plan is quite similar to what I have just outlined.

I should like to state in conclusion that here is an opportunity for members of parliament to improve farm income through individual stabilization by passing this motion. The ancillary effects on the total agricultural economy, levels of inventories, farm equipment and supply purchase patterns and the smoothing out of federal and provincial taxation incomes are all important and tend to create an environment where planning and production management techniques could become more effective. In future this plan, with more study, could replace the western grain stabilization plan and the agricultural stabilization plan by having regional triggers in place wherein producer accounts would be supplemented by government payments and producers in various commodity groups would get stabilization help from federal assistance, as is now the case under the western grain stabilization plan, through their individual accounts.

I thank the House for giving me the opportunity to put this motion before hon. members and I hope they give it their serious consideration.

[*Translation*]

Mr. Irénée Pelletier (Sherbrooke): Mr. Speaker, first I should like to congratulate the hon. member for Wetaskiwin (Mr. Schellenberger) for his motion. I must say in support of the hon. member that I had often the opportunity to meet him during the two years when I was parliamentary secretary to the Minister of Agriculture, and his contribution to the Standing Committee on Agriculture was always of the highest standing.

This motion, Mr. Speaker, also indicates that the hon. member is much interested in agriculture. I must admit that even, as I have just said, if I had the honour to serve as parliamentary secretary to the Minister of Agriculture, there are very few farmers in my constituency. There is, of course, the experimental farm of Lennoxville which, I must say, has substantially contributed to the promotion of agriculture in Canada, performing very important research work and serving with outstanding diligence the farmers of Quebec and of the Eastern Townships.

Of course, even if there are not many farmers in my riding, God knows that agriculture and every other aspect of the food industry affects everybody. In the speech he has just made, the hon. member raised some very interesting points which should be taken into serious consideration. However, I should remind hon. members that the Department of Agriculture helped farmers tremendously in the last few years. Take, for example, the two extremely important pieces of legislation which were passed by the House during the last six years, and which were greatly supported by hon. members on the opposition side, and particularly by the mover of the motion which is before us today.

● (1720)

Mr. Speaker, I also want to mention one of his colleagues, the hon. member for Medicine Hat (Mr. Hargrave) who always made a remarkable contribution in the Committee on Agriculture which demonstrates that he is particularly concerned with the agricultural segment of our society and with the interests of his constituents.

Mr. Speaker, the markets are a lot more unstable in agriculture than in most other sectors of the economy. Therefore, the income levels of farmers vary much more than those of other Canadians. This greater uncertainty is a source of great difficulty for farmers and very often slows down the development of agriculture. The inputs and outputs of resources from the production sector, depending on price fluctuations, result in higher production costs.

On the other hand, farmers may be persuaded to renounce certain monetary advantages of specialization, for by varying their crops, they may count on a more stable income and attenuate some of the risks resulting from the slowing down of a market due to the application of modern technology. The climate of uncertainty in which producers live quickly spreads to their suppliers of goods and services and their purchasers of farm products. Finally, their effects are felt on the economy as a whole. Because of the problems resulting from the instability of farm markets, the House has finally adopted stabilization legislation for wheat and other grains.

The programs applied under these two pieces of legislation lessen the effects of unstable markets by ensuring that, during more difficult times, producers will receive support payments which increase their incomes to a level which represents a certain percentage of the net eligible grain sale proceeds for all producers for the year under review. That is exactly what the hon. member who has introduced this motion claimed a while

ago. Since the computation of the support level takes these proceeds into account, Canadian farmers will continue, as indeed they should, to base their decisions concerning production on the fundamental tendencies of the prices on the market place.

Mr. Speaker, the stabilization mechanism gives good protection to the farmers against the fluctuations mentioned by the hon. member, but it has much less influence on permanent decreases in market prices since these influence the support levels. All producers receive the same supplementary payment by production unit under these two stabilization programs, this aims at ensuring that the position of each farmer in relation to the others is not changed by the stabilization program.

Mr. Speaker, I would like to say a few words about the Agricultural Stabilization Act. Even though the programs established under this act have remained within the spirit of the previous act, passed in 1957 or 1958, certain changes have been made to the policy to meet the new requirements of farmers. The first act included provisions for designated products. These were products which had to be supported at a level set at 80 per cent of the average market price in the last ten years or the ten previous years. The government was empowered to increase this minimum level it deemed appropriate. However, non-designated products could benefit from support if need be, but always at the discretion of the minister. The support price of these designated products was equivalent to the ten-year average percentage judged appropriate to absorb losses on the market. The amendments which resulted in the 1975 act have been very beneficial for the farmers. The amendments concern mostly the list of designated products and the formula for establishing the support prices.

Certain designated products were not listed in the 1958 act, and this shows the significant improvements which were made in the new legislation. For instance, the designated products now include steers, pigs, sheep, industrial milk and cream, corn, soya, as well as oats and barley produced outside the zone designated by the Canadian Wheat Board. The minimum support level for these products was set at 90 per cent of the market price during the previous five years.

This is the major difference between the legislation passed in 1958 and that passed in 1975. In the first case, the support level was set at 80 per cent of the prices during the previous ten years, while the support level is now based on a five-year period, which is much more reasonable and much more advantageous for the farmers. In other words, instead of 80 per cent, it is 90 per cent of the last five years. The minimum rate has thus been increased by 10 per cent and the period considered has been lowered from ten to five years. Just as the 1958 act, the revised legislation provides the increase, if need be, of the minimum rate of assistance and the designation of other products for assistance purposes. And we can add to that the problems pertaining to the present agricultural products stabilization program. Also, we all know that apart from this legislation there were the two acts I mentioned in the beginning, namely one on stabilization and one on wheat.

The implementation of the 1975 act has brought to light a certain number of problems, namely that some producers consider the rate of assistance too low. In that respect, I think, as the hon. member mentioned about midway through his speech, this deserved some consideration in certain instances, and I believe that the government did indeed, two or three times, increase the amount of assistance granted for certain products. But there again I agree with the hon. member that in certain cases it is clearly too low because imports, that is certain products that cost a lot more in the farmer end product, are not always included. For a lot of producers, not disclosing the support price before the production period also contributes to reduce considerably the extent to which programs lessen the climate of uncertainty.

● (1730)

Cow calves are not on the list of specified products and it is perhaps a lack that should be corrected. A number of pork and cattle producers feel the present program does not protect them adequately and they have to reduce the support period. Here again, producers of these two commodities expressed on several occasions—and I remember on two occasions at the Department of Agriculture—certain claims they felt the government should consider.

Although the legislation included provisions for an increase in the basic rate and its financing by producers no procedures were developed for that purpose. There again, although those two pieces of legislation are in the interest of farmers I believe certain amendments could be brought in, and, of course, the Minister of Agriculture (Mr. Whelan) is always prepared to change the existing laws to suit them to current conditions.

Mr. Speaker, I know for having worked with our Minister of Agriculture—who incidentally has been there for seven years—how farmers both in western and eastern Canada appreciate the interest and constant concern he has to fight both at the caucus as well as the ministers' level to ensure farmers get the most and are protected against inflation and certain other economic difficulties. We all know that farmers or agriculturists are perhaps the most vulnerable class in our society because, in addition to the difficulties every group faces, they have to live with the uncertainties of the weather over which they have no control; that is why this government passed legislation to protect them a bit more against bad weather, both literally and figuratively.

Since the act, as amended in 1975, has come into effect, a number of provinces, Mr. Speaker, as should be pointed out here, have adopted their own stabilization programs. Still, the federal government is concerned about the variety of programs implemented with regard to goods produced and sold throughout Canada, because varying levels of support from one province to the other could be a source of numerous problems.

Of course, Mr. Speaker, the federal government does not disagree with the fact that some of the provinces have decided to give help to agriculture. What it is concerned about is the diversity of those programs. Some provinces being richer, they can offer much more than other provinces; consequently, there

are two classes of farmers in Canada. That is why the Minister of Agriculture has always taken great care to avoid such differences as much as possible. There are enough regional disparities in Canada as it is, which of course we are trying to remedy, but incentives however should not be provided through programs that vary so much from one province to another, although they are valid in themselves. The constant goal of the Minister of Agriculture has been that all those programs help farmers equally across Canada. This is why federal programs have tried to integrate most of the stabilization programs as much as possible and to the extent provinces are willing.

Because each province wants to protect farmers, there could be a run on levels of support, and producers in more generous provinces would naturally have an edge on their counterparts in other provinces, and production could slide to more generous provinces. It is my view and indeed the view of farmers, as will be recognized by the mover of the motion, that with such a range of programs we could eventually get to the point where some provinces could, by reason of their location, economic base and a host of other factors, stimulate producers through generous and acceptable measures into raising their production to a level that would harm producers in other areas, and although this could have short-term benefits for a small number, it certainly would be harmful on the longer term both to themselves and farmers throughout the country. For that reason, federal programs must work across the land and be as generous as possible, while avoiding that some provinces benefit more than others.

On the other hand, this country could get into difficulty with its trading partners, who look badly toward what they feel is unfair subsidizing of Canadian products. The Canadian government and provinces held detailed discussions on all the stabilization programs I referred to. Discussions up till now have been positive, and all parties have been looking for a solution to problems faced by current programs. In the cause of these discussions, a federal-provincial technical committee was created to examine all aspects of the agricultural prices stabilization policy and report to respective ministers. While the present proposal is formulated by the federal government and comes under its responsibility, it was inspired to a large degree by these discussions.

Mr. Speaker, I believe the steps taken over the last six or seven years prove to what pains the federal government, and in particular the present Liberal government and the present Minister of Agriculture, have gone to give not only the agricultural population but all Canadians laws ensuring a greater stability of income for all farmers. This greater stability of income has an impact on all the other economic sectors; one must in fact recognize that if farmers must bear certain difficulties in the agricultural sector, an abnormal increase in food prices may follow. This would of course be due to a lack of planning, to a lack of price stabilization laws on Canadian agricultural products.

[*English*]

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. member that his allotted time has expired. He may continue with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, while I was late getting in at the beginning of this debate, I am very pleased to have this opportunity to make a few remarks in support of my colleague, the hon. member for Wetaskiwin (Mr. Schellenberger). He has selected a very worth-while topic which has not received fair comment since the grain stabilization debate of several years ago.

There is much to be said in support of the individual stabilization approach. I think we should give it serious attention. In these few minutes, Mr. Speaker, I want to speak of the special needs it would serve in the drought areas across southern Alberta and southwestern Saskatchewan where there are the resultant extremes in farm and ranch income. This is materially affected by the rapid sales of livestock, grain and farm products due to the drought conditions which are a fact of life in that area.

● (1740)

I should like to give two excellent examples of this, Mr. Speaker, the years 1977 and 1978. The 1977 records show it was the worst single drought year since the 1930s. I speak with some conviction, Mr. Speaker, because I remember those years. The worst years were 1931, 1932 and 1937. The year 1977 was at least the equal in terms of growth, or lack of it, to those years in the thirties. Surface water, of course, is the staff of life in those drought areas, but snow run-off during that single year was worse than at any time in the ten-year period.

In sharp contrast, 1978 was one of the best growth years. I would go as far as to say it was the best growth year for natural grass or hay since 1927. The growth of cultivated grains was above average but not as spectacular in 1978 as was the growth of grass and hay.

Such extremes of moisture conditions present real problems to people involved in agriculture. I think we should give some special recognition to this problem when we discuss a stabilization program. The hon. member for Swift Current-Maple Creek (Mr. Hamilton) drew attention to the need for special recognition of these extremes in committee when we were considering the grain stabilization bill several years ago and he proposed the same concept—that it should be handled on an individual basis. I suggest that in the rush to stabilize various agricultural commodities this more practical and sensible approach has been completely overlooked. The hon. member for Wetaskiwin pointed out that the proposal has been fully researched by the planning and research secretariat of the Alberta department of agriculture. I do not wish to promote

this type of program for just that province, however, as I think there should be national individual stabilization.

In fairness, Mr. Speaker, I should say that most of my remarks will probably be directed to the possibility of such a program being used in the Canadian beef cattle industry but the same concept could apply to any other agricultural commodity. The basic concept of the individual approach would be that a farmer could deposit a portion of his income during high income years and withdraw some or all of those funds during low income years, in effect creating his own stabilization program. This has some basic advantages over what could be termed a universal stabilization plan, the concept that we have been considering officially until now.

Amongst the advantages, first of all, is the fact that it should cost less to the public treasury in terms of payout and the bureaucracy—needed to administer it. Second, the tax payments of farmers would probably not be greatly affected. They might increase as a result of a more stable environment, and tax revenues would tend to even out over the years which would be a good thing. The third advantage, and perhaps the most important, is that the plan would not obscure market signals in any way, whereas a universal plan tends to insulate farmers from the realities of the marketplace. That is most important, especially in the cattle industry. The feeling that goes along with that insulation from the marketplace is that if the market place does not pay enough, the taxpayer will. That feeling does exist as a result of the way some stabilization programs have been operated.

The fourth advantage that I see is that it would discourage farmers from attempting to delay taxes by maximizing costs in high income years. A big example of this is the practice of feeders and cattlemen of purchasing feeder cattle near the year end and carrying them over for resale in the next taxation year. This distorts the cattle market, and we are better off without such a practice. An individual stabilization program would get around this problem.

In summary, Mr. Speaker, the program suggested by the hon. member for Wetaskiwin has much to commend it over the current guaranteed margin approach that the federal government suggests in its new look at the stabilization program. What disturbs me about this program is the suggestion that there be a 100 per cent support level. That is what used to be called "top loading." A 100 per cent margin approach will guarantee a real top loaded situation. The danger of this is that it will definitely lead to overproduction. We would be ignorant of our immediate past history if we did not remember what led us into the situation we find ourselves in now where we have the highest prices in the history of the cattle industry because of the situation developed with an oversupply, influenced by government policies four or five years ago.

A stabilization program is fine, but we should not go overboard with it and then find ourselves in the situation that would require production controls. That would not be received very favourably by cattlemen. Those are my comments, Mr. Speaker. I am very pleased to be here to support my colleague, the hon. member for Wetaskiwin.

Mr. Corbin: Mr. Speaker, I wonder if the hon. member would allow me to pose a question?

Mr. Hargrave: Yes.

Mr. Corbin: Mr. Speaker, I wonder if the hon. member could tell the House whether his concept of stabilization could work outside the marketing agency or if, on the contrary, it would operate best within the framework of a marketing agency controlled by the producers.

Mr. Hargrave: Mr. Speaker, I am sure the hon. member is addressing a question to me about the possibilities for supplying management powers. I would say that the cattle industry in Canada and, in fact, in North America, does not lend itself to that, and there are a couple of pretty important reasons. The first is that, whether we like it or not, we are operating in a North American market. When Canada is in a situation of having too many cattle, a situation which does not occur very often, the only place where we can dispose of this excess of cattle is in the United States. When we have a shortage of cattle, a situation which we seem to be in most of the time, from where do we get additional cattle? From the United States.

• (1750)

The basis of my statement that we cannot operate on a supply management basis is that the United States, with their market-oriented approach in their cattle system, would never allow Canadian industry to be a part of that if we were to approach it in a supply management manner.

Mr. Cliff McIsaac (Battleford-Kindersley): Mr. Speaker, I am very happy to participate for a few moments in this particular debate. I am always happy to listen to both hon. members who have put forward their thoughts with respect to farm income and agriculture from the opposite side, namely, the hon. member for Wetaskiwin (Mr. Schellenberger) and the hon. member for Medicine Hat (Mr. Hargrave).

Let me say that I only disagreed with one comment made by the member from Medicine Hat when in essence, perhaps inadvertently he attributed some of the difficulties that the cattle industry in Canada and around the world has gone through over the last several years to government policies. I know my hon. friend is well aware that it would not matter if we had had no cattle in either Alberta or Saskatchewan over the last few years, we would still have seen more or less the same erratic fluctuations which have occurred in the United States, Australia, Brazil, and so on. We were not alone in some of the misjudgments, if you like, that were involved in terms of the very high numbers, which then decreased. We are now in a situation where the prices are up. I know his constituents and mine are more than happy with the prices being received today for beef and beef cattle. But consumers put pressure on provincial and federal governments, not only in Canada but elsewhere, to look at this whole question again to see what can

or cannot be done. I share many of his views with respect to what can be done and what cannot be done, as well.

I would only quarrel with one aspect of the motion today, although I quarrel very little with the thoughts and thesis in general put forward by hon. members opposite. The motion reads:

That the Standing Committee on Agriculture be empowered to study the advisability of instituting an individual rather than aggregate program of income stabilization for the western producer—

My quarrel is with the "rather than" idea. I do not believe we can divorce the two concepts. I do not believe we can say there is no need for over-all farming stabilization plans, programs or policies, whether this pertains to potatoes, grain, beef, milk or anything else. Maybe we could look at some improvement and some changes in present policy, and perhaps present tax legislation to accommodate some of the things referred to, particularly as it pertains to the beef industry in western Canada. This was spelled out just a few moments ago by the hon. member for Medicine Hat. However, I would point out again my basic disagreement with the way the motion is worded, and say I would oppose it on that basis only. I am not opposing many of the excellent points put forward.

If I may take a moment or two to look at the general goals of stabilization plans, whether we are talking west or east it does not matter a great deal, we must look and ask ourselves what a general stabilization plan is designed to do. We should also ask ourselves whether we can devise an individual plan that will meet some of those objectives. I would suggest a stabilization plan for agriculture or for any agricultural product should first of all stabilize the income of the agricultural industry.

Second, it should help to stabilize the agricultural input in the industry. I am thinking here of the fertilizer industry, the chemical industry, veterinary supplies etc., all other machinery and related industries involved in agricultural input.

Third, I suppose an agricultural stabilization program should serve to stabilize the economy of the region. This, as my hon. friends opposite and indeed all members of this House know, has been one of the difficulties in western Canada, the instability of income for everybody in all economic sectors. We do not have to go back to the 1930s to those dramatic times with respect to lack of crops and lack of prices and the devastating effects which that cycle had. We have not seen anything similar to that since, but we still see the ups and downs, and the effects which they have on an entire region.

Then we must look at stability with respect to the income of an individual farmer as well; that I recognize and acknowledge. If we are talking only stability with respect to the individual, as opposed to paying no attention or very little attention to the over-all objectives of a stabilization program, we are not meeting all of the concerns with which we should be dealing.

I am sure that all hon. members in this House who are from farming areas particularly know of the high prices and high costs of input, the kinds of dollars and figures which farmers have to deal with today in writing cheques and in paying bills, along with the kinds of receipts which they have to have, the income from any one of the farm products, that all of this is more and more important today than it ever was. Therefore we must look at every possibility of trying to bring about greater stability in the income of the individual farmer, producer, and farm producers collectively.

Cash flow today is absolutely vital to farmers in terms of continuing to operate. It does not matter whether they are maritime potato growers, or beef producers or grain growers. Long gone are the days when one could get by on a farm, as I did in the maritimes when I was growing up, with very little cash income. At that time one could also grow crops and bring them in and manage to get by with very few dollars. But that day has long since gone in all regions of the country and in all sectors of agriculture.

We need to look at our present aggregate plans. We need to stress those over and above the individual concept and the points made by my hon. friends in this particular motion. An aggregate plan will stabilize the income of the industry by making payouts when the income of that industry decreases. We have seen an example of that just in the past year with respect to the western grain stabilization program. I recall some of the questions and issues which came forward from that very good session of the committee at that time, referred to by the hon. member for Wetaskiwin.

The plan is now in operation. It is quite likely there will be a payout in that plan in the current year. He is correct in this sense that it does not meet all of the individual requirements that may come along. I am not sure that it should. I worry about a plan looking after the individual's cash needs in terms of having more interference with what that farmer may do or may not do. As the hon. member knows, in his part of Alberta, and in my part of Saskatchewan, the cereal grain farmer can grow wheat, or barley, or flax—he can grow a number of things in most cases. If we tied it up too much on an individual crop basis—

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

At six o'clock the House took recess.

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

NATIONAL HOUSING ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Ouellet that Bill C-29, to amend the National Housing Act and the Central Mortgage and Housing Corporation Act and to make other related amendments, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Art Lee (Vancouver East): Mr. Speaker, before the five o'clock adjournment I was addressing myself to the amendments with respect to the RRAP program. I indicated at that time that the RRAP program in effect had its origins in an area of my constituency known as Strathcona. I believe it is then appropriate for me to retell the Strathcona story in order that all hon. members can understand the significance of rehabilitation.

Strathcona is one of Vancouver's oldest residential neighbourhoods. Most of the houses in the area were built about the turn of the century, but some date back to the origins of the city itself. The Strathcona school was originally built in 1890 as the East End school.

The early residents of Strathcona were Anglo-Saxon. However, the area soon became inhabited by large numbers of Italians and Jews, as well as Scandinavians, Ukrainians, Russians and Yugoslavs. The old Hastings Auditorium at 828 East Hastings used to be called the "Italian Hall" and was the centre of Vancouver's pre-World War II Italian community. Benny's Italian Market at Union and Princess dates back to 1915. The Gibbs Boys Club building at Heatley and Pender was originally built in 1921 as the Schara Tzedeck Synagogue. The Ukrainian Canadian Centre at Hawks and Pender dates back to 1928. The church at Princess and Pender was built as the Swedish Lutheran Church and served as the Ukrainian Catholic Church before it became the Chinese Catholic Church. The Russian People's Home on Campbell Avenue, adjacent to the Russian Orthodox Church, was built by the Yugoslav community. The Yugoslavs had their own centre on Keefer Street.

Compared to the Europeans, the Chinese were latecomers to Strathcona. There were some Chinese and Japanese living in the area in the 1930s. However, it was not until after the repeal of the Chinese Exclusion Act in 1947 that Strathcona became increasingly Chinese. The area served as a gateway for postwar Chinese immigrants. Housing prices were low and the area was adjacent to Chinatown.

In 1947 Strathcona was only about 28 per cent Chinese. By 1957 this figure had reached about 50 per cent. Strathcona today is about 75 per cent Chinese. It contains less than 10 per cent of greater Vancouver's 60,000-plus Chinese. There are large numbers of Chinese living in neighbourhoods well outside of the Chinatown-Strathcona area.

Housing

In 1957 the city of Vancouver embarked upon a 20-year urban renewal plan. A major focus of this program was comprehensive redevelopment for Strathcona, the clearance of all existing homes and replacement with public housing, high rises, and row housing. Union Street was to be the southern border of the new Strathcona as the blocks of homes below it were to be demolished for a major city freeway system.

The rationale for the urban renewal was that Strathcona, in addition to having old and rundown housing, was in a strategic location being adjacent to the downtown, waterfront and False Creek areas. The city wanted high density development for Strathcona. Commencing in 1958, the city placed a freeze upon the entire area; property values were frozen; no major redevelopment and home improvement permits were allowed, and no regular public works maintenance was carried out. The neighbourhood was left to await the bulldozer.

• (2010)

The first phase of urban renewal began in 1959 with the construction of 159 units of public housing at MacLean Park. An entire block of homes was then demolished as a new replacement park. Ten acres of land and homes were then cleared in preparation for the 376 unit Raymur Place housing project at Campbell Avenue.

Acquisition and clearance for Scheme II urban renewal began in 1965 with the expropriation and clearance of homes in five blocks for an extention to MacLean Park, senior citizens housing, and an extention to Strathcona school.

The urban renewal schemes met strong opposition from Strathcona residents and Chinatown leaders. It was pointed out that the urban renewal would destroy the community and threaten the livelihood of Chinatown. The expropriation of homes for $6,000-$8,000 was argued to be unfair and discriminatory. The protests were of no avail as the city continued with its urban renewal. In August, 1968, the city prepared Scheme III, the final and complete bulldozing of the entire neighbourhood. Fortunately this scheme was never implemented as the federal government reassessed its urban renewal involvement across Canada.

The third and final urban renewal proposal had also sparked a last ditch effort among Strathcona residents to stop the bulldozing of their neighbourhood. In December, 1968, 600 persons attended the founding meeting of the Strathcona Property Owners and Tenants Association, SPOTA. The purpose of the new organization was to ensure that the people who live in the area would be fully informed, and their interests and community would be protected. In briefs to city hall, SPOTA argued for a revised renewal scheme which favoured rehabilitation and preservation.

In the fall of 1969 SPOTA was asked by the senior governments to join in a four level committee to investigate rehabilitation for Strathcona. It was the first time in Canada that a committee had been charged with that responsibility. It was also the first time that a citizens group had been invited to participate in such a capacity.

In July, 1971, after almost two years of meetings, studies and negotiations, the committee agreed upon a series of recommendations. They called for a $4.9 million rehabilitation scheme, with two million dollars each in new public works and grant-loan housing rehabilitation assistance. The Strathcona rehabilitation project officially began in February, 1972, and operated out of a site office on Hawks Avenue. During the three years of implementation, the three levels of government, site office staff and the community worked closely and informally together.

In the summer of 1973 the federal government introduced national programs for neighbourhood improvement and rehabilitation based largely on the Strathcona experience. The new programs, NIP and RRAP, which the city of Vancouver has already chosen for certain areas, include additional and expanded features of the Strathcona project. The new programs are also meant to recognize a meaningful role for citizen involvement in the neighbourhood improvement process.

With the completion of the rehabilitation project in 1975, Strathcona displays a new look and spirit. Under the project 233 houses were improved, with the majority of home owners expending sums above and beyond the grant-loan assistance. If the original $2 million allotted for housing rehabilitation assistance, less than $700,000 was spent. This resulted because the grant-loan scheme excluded more home owners and failed to attract more landlords than had originally been estimated. The new sidewalks, sewers and streets were installed but overran their $2 million budget by $500,000.

With strong community initiative, a new linear park was funded by the rehabilitation project. Vacant lots were used in the park development to connect the existing parks in the neighbourhood. The linear park also involved blocking off streets and thus curtailing heavy truck and non-residential traffic through the community.

Another worth-while development during the rehabilitation project was the home improvement centre. Initiated by Strathcona students, this centre offered free design services and home improvement, and operated repair workshops for the elderly and lower income people. It operated under OFY and LIP funding.

For members of SPOTA, rehabilitation of their neighbourhood did not end with the rehabilitation project. Midway through the project in 1973, SPOTA initiated plans for non-profit housing on infill lots throughout their neighbourhood. These lots, which had been acquired by the city under urban renewal, were sold to the provincial government at SPOTA's request. The province was to lease the land for non-profit housing.

SPOTA began its housing program with a seven-unit co-operative on five vacant lots at 730 Union Street. After several months of delay by city zoning officials, the project began construction in the fall of 1974. Five months later the seven families moved in. Financing of the co-operative came under the federal government's non-profit housing program.

In the fall of 1975 SPOTA began phase two of the infill housing. This involved three units of housing on double lots at eight different Strathcona locations. The first families started moving into the new units in the spring of 1976. Financing for this phase came under the provincial government's non-profit housing program.

The third and final phase of the infill housing involves the construction of single units on 16 remaining small lots. Construction was to begin in the summer of 1976.

Future SPOTA housing plans include non-profit housing on the vacant land opposite the Strathcona school. This site was acquired by the city under urban renewal and then sold to a developer for $210,000, about one third of the cost of the land assembly. In 1971 the city sought to buy it back for three times the amount to locate a large firehall there. After strong Strathcona-Chinatown protests, which culminated in a large rally in December, 1972, civic officials re-declared the land for housing. In February, 1974, SPOTA and another organization were chosen by the city to develop non-profit and senior citizens housing on the site. Although the two organizations submitted detailed housing plans to the city in the fall of 1974, no city action has been taken because of a legal suit filed by the private developer demanding market value for the land. At the present time the "firehall site" is a parking lot operated for and by the Vancouver police department.

During its years of existence, SPOTA has not only been involved in rehabilitation and new housing, but has also been concerned with many other community matters. The organization has worked closely with other Strathcona groups in social services and recreational and educational concerns. The oranization has participated in many festivals and conferences which have taken place in the area. It has assisted students and researchers interested in neighbourhood improvement and rehabilitation.

For SPOTA neighbourhood improvement will not end with the rehabilitation project and the new housing. It is a continuous process. Other problems will be encountered.

Whatever the future, there has been one central principle throughout the Strathcona experience, and that is that citizens must participate in those decisions which affect their community. This principle has been fought for by SPOTA, as it has been by many other neighbourhood organizations across Canada.

Also, Mr. Speaker, I have three other designated NIP/RRAP areas in my riding, these being the downtown eastside, Grandview-Woodlands, and Kiwassa. I also share, with my hon. friend from Vancouver-Kingsway, the NIP/RRAP area known as Mount Pleasant. The same success story is applicable to these communities, People living in these areas have pride. They feel they belong to a neighbourhood. That is well worth the exercise.

I am told that since the program was introduced in 1973 CMHC has been assisting in the rehabilitation of some 20,000 units a year. I hope that as the program is broadened, and as municipal officials become more familiar with its application,

we will be able to increase that annual rate. It is important to bear in mind, however, that residential rehabilitation is a long-term program.

● (2020)

There are some two million housing units in Canada which were built before the end of the World War II. Some of these are in good shape, and some are now beyond rehabilitation. A great many of them—perhaps as many as half of these old houses—could benefit from some basic rehabilitation and have their useful life extended by a number of years. The point I would like to make is that a job of this magnitude cannot be accomplished overnight, or even in a single year. The number of homes that can be rehabilitated in any year depends not only upon the federal funds which can be made available but also upon the capacity of municipal organizations to manage and implement the program, and on availability of skilled, organized manpower to carry out the actual repairs and reconstruction. There is no question that residential rehabilitation will continue in Canada and will grow year by year.

There is no doubt in my mind either that the Government of Canada will continue to play a leadership role in this growing industry. The critical importance of rehabilitation is becoming more widely recognized every day in Canada and throughout the world.

More and more people are recognizing the importance of saving housing and extending its useful life, instead of tearing it down and building something new. Rehabilitation and preservation are part of the whole philosophy of the conserver society. There is a need to manage and recycle our non-renewable resources.

If we can make our existing housing work longer, there is a very significant saving in energy, materials, and financial resources, compared with starting from scratch to build new houses. This trend is an important part of the changing pattern of housing development which is emerging in Canada and throughout the world. It means that our concerns are gradually shifting away from annual production targets to a broader concept of housing needs.

Since the end of World War II and up until recent years our main concern has been with production, the generation of new housing starts. CMHC was established in 1946 to help us catch up with the backlog of housing production created by the depression and the war years. We were worried, first of all, about housing for returning veterans, and then about the growing demand created by the so-called baby boom. The production of new housing was a critical problem in those years and has continued to be important. Many of our National Housing Act programs have been intended to encourage new construction. Up to now, that has been our prime goal.

Times are changing, however, and so are our housing needs. The rate of population growth has been slowing down for the last 20 years or so and this likely will continue for at least another decade. This fact and others mean that we will need less new housing each year. By the mid-eighties, as we have all read, we will probably need only about 200,000 starts a year. Declining population growth also means that there will be a higher proportion of elderly people in the population. At the same time, more people are putting off getting married and having children. Young people are leaving home at an earlier age. The result of these trends will be smaller households and more so-called non-family households. The net effect of all these changes will be a shift from the suburbs, away from the ranch bungalows and family-type, child-oriented housing, toward the inner city where housing is older and more in need of rehabilitation.

The rising cost of fuel and our dwindling energy resources will, of course, accelerate this shift into the city proper by raising the cost of the daily journey to work.

All the demographic trends, economic projections and our shifting social values suggest that rehabilitation is going to be a more significant activity for at least the rest of this century. I am pleased to see the government, in bringing forward these amendments, recognizes the importance of rehabilitation and conservation and has reaffirmed its intention to continue to support it in a tangible way.

One particular amendment relating to rehabilitation deserves special mention, namely, the lifting of the $500 forgiveness feature on private rooming houses. The rate will be established by regulation and therefore this method provides the required flexibility. At present, the law provides for loans up to $4,000 per bed to rehabilitate rooming houses with $500 of this amount being forgivable. The Minister of State for Urban Affairs (Mr. Ouellet) recognized this as being totally inadequate, and these amendments take care of this by removing the maximum ceiling of $500.

What does this mean, however, in human terms? Really, it finally recognizes that people who live in the downtown cores of cities, often wrongly referred to as skid rows, are entitled to decent housing, as well as those who live in more affluent areas.

Some hon. Members: Hear, hear!

Mr. Lee: The seed for this amendment was planted during the Habitat conference which took place in Vancouver in the spring of 1976 when the Minister of National Defence (Mr. Danson) visited the downtown east side of Vancouver in his former capacity as minister of state for urban affairs. He saw the deplorable conditions first-hand. The same is true in other Canadian cities, like Toronto. Unfortunately, the conditions in Vancouver's downtown east side are indescribable with words, but let me illustrate by quoting from a report entitled "The Downtown East Side Report" as follows:

> In general, though, the relevant area is bounded by Clark Drive, Cambie Street, the south lane of Hastings Street, and the waterfront. It also includes a number of hotels and rooming houses in Chinatown and Strathcona. A number of people live in a similar housing situation in the downtown core, particularly on Granville Street, but because of resource limitations they were not specifically included in the study.
>
> Over the past few decades, accommodation in hotels and rooming houses has been allowed to decline in both quantity and quality. Commercial uses and office space uses have pushed many residents eastward, first out of the downtown core, and, later, out of the Gastown area. Residents have opposed this trend, but

municipal zoning policies have allowed it to continue. More recently, re-zoning proposals threaten to allow industrial uses to displace residential accommodation in the Oppenheimer area, east of Main Street. New zoning policies to stabilize and reinforce the residential character of the area would be needed to halt this over-all trend.

The hotels involved are very old buildings, some of them built before the turn of the century. The above-ground floors are divided into single rooms. Usually, the ground floor contains commercial space, often premises with a liquor licence legally supported by the rooms upstairs. The rooming houses are smaller buildings or large older houses divided into separate rooms for tenants.

For years the hotels and rooming houses of the downtown eastside have been characterized by an almost continuous stream of complaints about uncleanliness, pests, fire hazards, etc. These conditions usually violate Vancouver bylaw standards. The problem has been not that the standards are too lenient, but that the standards have not been met, in practice.

In fact the report disclosed that the total number of bylaw violations found in the 23 buildings examined was 9,743.

What about the people who live in these rooming houses? Who are they? Putting the sex, age and household status of the tenants together, the most typical tenant interviewed was a 50 to 59-year old man living by himself.

Because the area involved is wrongfully referred to as skid row, there is a myth that tenants who live there are transient. In fact the average length of residence is about 13 years, an astonishing figure for a neighbourhood that has a reputation as a transient area. This result is confirmed by the 1971 census, which showed that the downtown east side is the second most stable residential area of Vancouver, after Dunbar, a comfortable single family dwelling area.

With respect to income, it is striking that almost all the people surveyed receive well below the minimum income estimated by the Canadian Senate as necessary for a decent, healthy life in Canada; 34 per cent receive less than half the poverty level. In short, most of the tenants are on fixed incomes, receiving guaranteed income supplements, war veterans allowances, Canada Pension and unemployment insurance. With this particular amendment, rehabilitation of these rooming houses can now go ahead. Rehabilitation will unquestionably help this area, but new housing is also required. The federal government, through CMHC, considers new housing a priority in this area. What does the city of Vancouver say? His Worship Jack Volrich says it is not a priority area.

What does the province say? Well, it is up to the city to declare its priority and, in any event, the province will not make direct subsidies available to new housing projects, other than senior citizens' projects. Clearly, given the level of incomes in this area, subsidies are required to augment and to ensure the amendments in this current bill regarding social housing will be effective. However, the city and the province through the minister of housing, the hon. William Vander Zalm, who is well known to hon. members of this House for his "Frog" songs—

Mr. Friesen: He is a Liberal. He ran for the Liberal leadership.

Mr. Lee: —are reluctant to reciprocate the federal measures. I submit this is because of ignorance on the part of the present minister of housing in British Columbia and the mayor and city council of Vancouver. To classify this area as skid-row is totally unacceptable. Residents, like other Canadian citizens, deserve decent, affordable housing. The federal minister of housing has recognized this by these amendments, and I would encourage the city of Vancouver and the province of British Columbia to join with the federal government in helping areas like the downtown east side core of the city of Vancouver.

● (2030)

We are dealing with human beings, not some mythical notion of skid-row bums or winos. To allow areas like the downtown east side to stagnate because of ignorance would be a travesty and a condemnation of modern civilization.

Mr. Blackburn: Mr. Speaker, I rise on a point of order which is directed to the hon. member for Vancouver East (Mr. Lee), having listened to his very lengthy but very informative speech. I should like to ask the hon. member, for whom I have the utmost respect, what he has been able to do in this area since becoming a member of parliament. I find myself in a similar position in my riding. What can we do as members of parliament here in Ottawa to get rid of the slum landlords, to try to get rid of the people who would take—

The Acting Speaker (Mr. Turner): I suggest to the hon. member that this is not a point of order. He is asking the hon. member for Vancouver East (Mr. Lee) a question. Would the hon. member for Vancouver East accept a question?

Mr. Lee: Yes, Mr. Speaker. In answer to the question the hon. member put to me about what we can do with absentee and slum landlords, let me say to him that the first thing we can do in the city of Vancouver—and some members of the council in that city have been trying to do it—is to get the city standards and bylaws enforced. If you start enforcing these bylaws, it is argued these people will close the hotels and the private rooming houses. But our experience has shown that this is not necessarily the case.

The more recent experience we have had in the area of enforcing the bylaw with respect to the installation of fire sprinklers cost a lot of money, and most of the absentee landlords said they would have to close these premises down because of the cost. But the enforcement of these bylaws has saved a number of lives and has not resulted in most of these absentee landlords closing down the premises. A lot has to be done by the maintenance of city standards and bylaws, but the kinds of amendments envisaged in this legislation will help as well.

Mr. Dean Whiteway (Selkirk): Mr. Speaker, it is Monday, February 26, 1979, and I want you to know, sir, that in the House of Commons, in the nation's capital, things are as they ought to be. We on this side propose and they on the other side oppose. We have taken the stance of the government in proposing the positive proposals on the deductibility of interest on property taxes. They on the other side are preparing

themselves for the opposition and are taking the stance of opposing that.

Some hon. Members: Oh, oh!

Mr. Whiteway: Just listen to those Liberals howl. The minister leading off the debate and his Liberals have spent more time criticizing and attacking the Conservative proposal and policy, which is a clear, popular policy across the country, of interest deductibility of municipal property taxes. The minister spoke in the House for two and a half hours but did not say anything. He is a minister who speaks well in both languages but says nothing in either. For two and a half hours he spoke in this chamber and, by and large, he said nothing except to criticize the PC policy of interest deductibility of municipal property taxes.

You will understand, sir, my reluctance to believe them because I well remember the time back in the election campaign of 1974 when this government and this minister went across the country preaching to the Canadian people, and sounding so sincere, that price and wage controls would not work. I remember well the night when the Prime Minister of this country (Mr. Trudeau) spoke on national television and, in a most dramatic moment, pointed straight to every Canadian and said, "Zap, you're frozen." The Liberals were against wage and price controls, and every Canadian knew they were against it. To a man they were categorically opposed to them. Well, sir, here they sit tonight, as they did yesterday and last week, and as I suppose they will tomorrow, opposed to our program of interest deductibility and municipal tax deductibility from personal income tax. So you will undertstand if I am reluctant to believe them, for these Liberals will change their minds as the wind changes and they will find out, as they have in the byelections and since, what the people truly think.

They sent a contingent down to Washington to prepare a report and to come back and tell us that everyone in Washington is against our program. If they could, they would undo it. Why, everyone is against it except the people, except the 230 million Americans. Well, sir, my party and I, we will all stay with the people.

I was somewhat impressed by the housing critic of my party, the hon. member for Ottawa-Carleton (Mrs. Pigott), as she spoke in the House for about an hour. She did not use the kind of biting criticism that was a characteristic of the minister's speech. She was constructive. To that degree I can also compliment the hon. member for Vancouver East (Mr. Lee) because, although his opening remarks in the first five or ten minutes were critical of our deductibility program, he did at least devote part of his speech to his own riding and the things that are happening there. These Liberals are so preoccupied and all in a fluff because they are on the wrong side, not only of a good issue but of the right issue. I am going to set them straight and do what, from time to time, is required of students of government who have not done their homework. I will lecture them, sir, from five to ten minutes on the merits of the interest deductibility proposal.

First of all, the minister should know that our program is not a housing program. He referred to it time and time again as the Tory housing policy. It is not a housing policy. We have told him and told him, but we will tell him again that this is not our housing policy. Now that the super minister of economic affairs is here, perhaps he might write it down and tape the note in front of his desk so that in time he will understand that this is not our housing policy, it is an economic policy.

Our economic policy on the deductibility of interest on your principal residence up to a maximum of $5,000 a year is based on the principle that governments prejudice interest rates. I am fortunate in that the President of the Board of Economic Development Ministers (Mr. Andras) is in the House paying strict attention, and I am sure that when he speaks on this subject he will underscore the reality that governments, by their borrowing practices and spending habits, in essence set the interest rates of the country. It is because of the wasteful and extravagant spending of the government that the interest rates on first mortgages in this country are anywhere between 11.75 per cent to 12.5 per cent, depending in what part of the country you apply for a mortgage. So the first principle of our program is based on the reality that government sets interest rates.

● (2040)

Then the other reality is that in the 25 or 30-year amortization period of a mortgage, interest constitutes a large portion of the principal and interest mortgage payment.

Another principle upon which our policy is based is that housing is the right of every Canadian. We disagree with what was suggested by the Minister of Industry, Trade and Commerce (Mr. Horner) when he said that housing was a luxury. I do not consider housing to be a luxury. It is the right of every Canadian who wants to own his own home. The government ought to put its financial affairs into shape so that those Canadians can afford homes. It is with that background that we adopted a policy of interest deductibility. Our policy is a simple one. Its maximum is $5,000 a year on a maximum mortgage of $50,000 on the interest deductibility side. It must be on a principal residence, a first mortgage, and $1,000 maximum property taxes.

We heard the minister and other government members scrambling to think of every conceivable bad point in our policy. They even put the best minds at the Central Mortgage and Housing Corporation to work. I know my information is true because I was told by members of CMHC. The minister told them to burn the midnight oil. They were told to get their best minds and brains working on getting reasons why the Tory policy is bad and will not work. The minister did not ask for an objective analysis of the deductibility. He wanted reasons to fire back at Tory members why the program would not work. They came up with the following reasons.

They said our program was for the rich. The facts prove them wrong. There are approximately 4.6 million households in the country. Approximately 67 per cent, or two-thirds, of home owners earn under $15,000, and only 6 per cent earn

over $25,000. The argument that our program is for the rich just does not bear out. As a matter of fact, if one combines all the incomes of people working in a given family, 35 per cent of family incomes are under $10,000. Only 10 per cent of the combined incomes within families owning homes are over $25,000. When the Grits go around the country indicating that it is not a policy for the poor, they do not have the facts, and the facts prove them wrong.

Another great criticism which is mimicked in unison from time to time by hon. members opposite is that there will be a great run on the mortgage market. Canadian mortgage funds will dry up, according to hon. members opposite, if everyone runs out and borrows all the money they can against their homes to take full advantage of the mortgage deductibility scheme. Perhaps that will occur, but we must remember that most Canadians have mortgages on their homes, or those who do not have the maximum possible mortgages on their homes, run out to borrow money in order to take advantage of the scheme, will they put it in cookie jars or their socks? Of course not. They will re-invest it.

The other day my leader coined a phrase, a little slogan which means a lot, "From the sock to the stock." I happen to think Canadians are astute in investing their money in Canada. Thus I am excited about the possibility of Canadians borrowing against their homes to invest in this country. If they do that, our program will be of double benefit to the country.

Also hon. members opposite indicate that our program would discriminate against renters. The minister made a great ado about this. He indicated that our policy would discriminate against renters. I took the time to visit one apartment block in my constituency. I knocked on several doors and said, "Do you have a dream or a hope of one day owning your own home?" In every single case the answer was "Yes". I do not deny from time to time some Canadians prefer to rent, but by and large renters want to own their own homes. Our program would allow their hopes to happen and their dreams to come true. It would allow a large number of renters to own their own homes. The Liberals who suggest this program discriminates against renters should talk to the renters and find out that that is not the case.

Also hon. members opposite have indicated that the government could not afford such a program. They have asked how Tories would be able to pay for the program, and have come up with astronomical figures. We indicated that the cost of the program would be $1.6 billion in the fourth year, and the Liberal government increased that cost by $4 billion. That is the type of Grit financing which has occurred over the last 15 years. We have said that it would cost approximately $1.6 billion, and our estimation will not be out by much. We can afford such a scheme because we believe the Auditor General when he said there was waste and inefficiency in the government. Now we have a political commitment.

When my leader goes across the country talking about zero-based financing, sunset laws, the efficiency of government, and squeezing every tax dollar for every bit of worth we can get out of it, he means it. We are committed to such a government program, and that is why our interest deductibility scheme will work. Also we know it will work because we have the support of Canadians across the country.

We on this side know the comments that we have been receiving, as well as the comments being received by government members. This is an exciting program which gets the blood of Canadians running. They see tax dollars coming to them which otherwise would go to the government. An increase in their disposable incomes makes them excited because it increases their buying power. That would be an economic stimulus. I suspect there are still Liberals in the country who will attempt to discredit our program every time they get a chance, but they should remember that Canadians are accepting our program and rejecting their criticism. They are lining up by the hundreds of thousands to support a government which proposes such programs.

We are beginning to prepare for governing, while the Liberal government is beginning to prepare itself for the role of opposition. The Liberal government is stale and a spendthrift. It is almost foreshadowing the things to come when the Prime Minister calls the next election.

Other members on this side of the House will deal with various aspects of Bill C-29 which should have been before the House for consideration a year ago. The Minister of State for Urban Affairs (Mr. Ouellet) should not stand in his place and suggest that we ought to give this bill quick passage, and then speak on it for 2.5 hours one year after it should have been introduced. We on this side will take the bill apart piece by piece. In committee we will reconstruct it so that it will deal effectively with the problems in the country. The hon. member for St. John's East (Mr. McGrath) will deal with AHOP. The hon. member for Parry Sound-Muskoka (Mr. Darling) will deal with rural housing and CHIP. The hon. member for Rosedale (Mr. Crombie) will deal with RRAP and community services. The hon. member for Lambton-Kent (Mr. Holmes) will deal with native housing, and so on. We on this side will propose such positive amendments and criticisms of this legislation that it will be whipped into shape. In committee we will continue the mentality which the government has displayed in preparing itself for the role of opposition.

● (2050)

I am concerned that Bill C-29 merely begins new directions in housing, a new era in consultation and relations between the federal and provincial governments, a new direction in housing, from public to social and a new era in financing, that is, a shift from the government sector to the private sector. I would like to deal with those three areas.

The era of consultation, of realizations between the federal government and the provincial governments is the first one with which I would like to deal. We have had a decade of intrusion by the federal government into provincial jurisdiction, and as a death repentance, at the last hour on the eve of a federal election the Minister of State for Urban Affairs is scrambling about the country finally realizing that the ministry of state for urban affairs must wind down and get out of

areas of jurisdiction belonging to the provinces, so he talks about global funding.

Consultation means to seek opinion and implies obtaining agreement before action is taken. The most recent report of the task force of western premiers on constitutional trends reads at page 31:

In the broad areas of housing and urban affairs, consultation is virtually non existent.

The western premiers have found that through the years consultation has not been there, so when the minister claimed there had been consultation he implied that not only had he sought their advice, that there was discussion on the various courses of action, but that there had been agreement before action was taken. We now have as of January 1, in effect, a new housing act for community services, and yet as of that date there were provinces which had not signed and were not in agreement, but parliament is asked to ratify the amendments.

Parliament, in the tradition which I know it, is a body which debates the proposals of the federal government before they are implemented, but in this case we are asked merely to ratify the decision already made and implemented by the federal government. I can see, in looking at the documentation which I can find, and hearing the testimony of the provinces, that this was a hurried move by the minister. There were two meetings, one of which was on February 1, 1978, in Edmonton. After those two meetings, and without agreement, the minister decides unilaterally on a new direction for housing, the new community service program, and he is chopping AHOP, changing RRAP, and abolishing ARP and all the rest, on a unilateral decision by this government. That certainly is not consultation. That is a new direction in housing, but it is a typical kind of consultation which characterizes this government.

What we now see is more central housing policies in the name of unity and that the provincial governments are now asked not to be co-makers of policy or co-determiners of a direction for housing, but to be nothing more than administrators, the boys who do the leg work for the kinds of programs envisaged by the minister. For those who believe that this federal government consults with the provinces about global funding, I would read to hon. members what the minister said in his speech as it is reported at page 3551 of *Hansard*:

This bill will enable us not only to reach our goals in the housing field but also to obtain an even wider objective. It will enable the government to co-operate with other government levels so that Canadians may live in a safe and pleasant environment.

He goes on to say a few lines down:

The community services program was discussed with the provincial ministers concerned.

Perhaps it was discussed, but there was no agreement reached and nothing signed before it was implemented. He then goes on to say:

The federal government will continue, of course, to provide help in the form of direct grants for all those activities but it will extend from now on its assistance to a whole list of social, cultural and recreational services.

This minister is not only continuing the tradition of this government of intrusion into provincial rights respecting housing, but in fact he is enlarging his share of influence. By the minister's own definition this program now covers a whole list of social, cultural, and recreational services. I can see that this new era of consultation is really a new era of intrusion by this federal minister, under the hoax of community services and the illusion of global funding. I like his language because it sounds good, but he betrays himself as to what he really means. I am concerned that this new era of consultation is really much more widespread in terms of intrusion, but as far as the mentality of the minister is concerned, it is only business as usual.

This bill poses a new era in the direction of housing from the public sector to the social sector. I have been watching the clock and it must be on "speed up" time because it is just flying by, so I am going to make one point and then go on to a solution I have for the minister which I would like to put to him before my time expires. We see in this shift from public to social housing—and by that I mean a new concept in the thinking of this minister and this government—that the responsibility of the federal government is not simply providing the unity which is a classic definition of public housing, but rather going into social housing which implies not only the brick and mortar but also the kind of community, equality, and integrated housing. It is much more socialistic than the minister would lead us to believe. I think there ought to be some scrutiny in this regard, the change from the traditional public funding by the federal government to a socialistic housing policy.

The area which is of most interest to me tonight is the change to a new era of financing proposed by Bill C-29, a shift from the funding which was hitherto the responsibility of the federal government. That responsibility for funding is now being shifted to the private sector. In effect, the private sector will take on the socialistic policies of the federal government. This is evident in two particular areas. One area is with regard to RRAP, which my colleague, the hon. member for Rosedale, will deal with, but I hope that the minister, being from the province of Quebec, realizes that with the large number of renters in that province it will be of particular concern to Quebeckers. No longer will the federal government provide funds for the RRAP program. They must now come exclusively from the private sector, which will bring hardship to the province of Quebec in particular because funding from the private sector will not come easy.

In the last year we have witnessed a fiasco in the AHOP program. My colleague, the hon. member for St. John's East, will be talking about AHOP, but certainly I want to deal with GPMs. GPMs are replacing the AHOP program, so we must look at AHOP to see what went wrong with it in order to determine whether GPMs can correct it.

● (2100)

AHOP was based on two premises, shaky as they were. I am surprised that the superminister, who at one time was minister

of urban affairs, even allowed AHOP to come into being. I applaud the government for innovative ideas, for new concepts, but it is foolhardy, it is stupid, it is irresponsible for a government to jump from one program into another without evaluating the first one. They are jumping from AHOP into GPMs without evaluating AHOP.

The two premises on which AHOP rested were, first, that the real disposal income of AHOP families would increase. The other day the minister said—and I cannot quote him exactly—"I am sorry that their incomes did not rise to their expectations; I am sorry that their real incomes did not go up as much as they had thought or hoped." He is sorry to bring in a program based on the fact that incomes would rise—then the government brought in wage and price controls which would negate that fact—but he introduces it after 10 per cent of AHOP units in this country are in default. That figure will double within four or five months.

AHOP was based on the assumption that the real value of the property would increase. We knew what happened to land and house prices at the turn of the decade, yet this government based a program on the expectation, upon the certainty, that real estate values would increase. In the last couple of years, sir, real estate has not appreciated. Now that the first five-year term is over we find that the value of AHOP homes has not escalated. Because of the subsidy against the second mortgage—held by CMHC or the lender—those two combined exceeded the value of the home. With the market interest rates of today and the real PIT doubled in many cases, we are faced with walk-aways and defaults.

In that setting the government turned its back on AHOP, still defending it in this House and across the country. If they could humble themselves for once and bring themselves to admit—the Minister of State (Fitness and Amateur Sport) (Mrs. Campagnolo) is in the House tonight and this could easily be said of her—that they make a mistake in judgment, as we all do from time to time; if only they could come before the House and the Canadian people and say, "We made a mistake in judgment, we acted without the full facts," instead, they defend their actions today—and it will be to the death of this government.

Instead of admitting that AHOP is a colossal failure with massive defaults, the Minister of State for Urban Affairs stands in this House and defends it. But it is so good that he abandons the program and brings in GPM! That alone is evidence that the AHOP funding was inadequate, badly based, and irresponsible.

Let us examine the GPMs and see what the lending institutions say about this new government funding scheme. I shall only take time for two quotations. An article in the *Free Press* of February 21 reports an interview with Mr. M. L. Lahn of Canada Trust in which he said that most foreclosures of Canada Trust are related to the disastrous AHOP. The article goes on as follows:

[Mr. Whiteway.]

Canada Trust became a lender under the AHOP program "most reluctantly and only in support of government policy." The loans were government insured, otherwise the company would not have participated, the president said.

The current Central Mortgage and Housing Corp. (CMHC) sponsored graduated payments loans almost ensure negative equities and even greater foreclosure problems unless inflation in housing values occurs rapidly—a rather inappropriate social premise on which to proceed.

He goes on to say that he will not participate. Perhaps the minister wants to pass off lightly what the trust companies say, but he cannot pass off the Royal Bank. Mr. W. Peter Carter, the general manager of mortgage services for the Royal Bank—he is no little teller, he is the man who is going to make the policy—was interviewed by *The Tribune*. An article which appeared in the February 17 issue reports in part as follows:

He said the GPM lending scheme is an example of both "irresponsible lending" and "irresponsible government."

The article went on to quote him as follows:

The major chartered banks have told Central Mortgage and Housing Corp. of our concerns and have told them bluntly that we are not prepared to promote such a scheme," he said. "We think it is morally indefensible."

The Royal Bank will not lend a nickel to the GPM. Last Friday, with the knowledge of the disaster of AHOP, with the knowledge that the lending institutions have told him the policy is wrong, indefensible, immoral and irresponsible, the minister said in this House, "Boys, we are going to go ahead anyway."

Sir, GPM could work. Here is a formula. The minister is in the House and he should take his pencil and write it down. The super minister is also here. He should write it down in case the Minister of State for Urban Affairs cannot understand it. Here is the formula by which GPMs could work.

Let us look at the government's proposal. It is for 5 per cent down and that the level of payments in the first five years be 75 per cent of the normal level of payments. That means that for the first nine years, in fact for the first 15 years, the debt against the house will exceed the original principal owing on the house. That will guarantee for the first 15 years that whoever owns it will owe more than they paid for the house. It will be negative equity. That is why the Royal Bank and Canada Trust have said they will not participate, because of that kind of irresponsible lending practice.

They have suggested that if the minister would use the formula of 14 per cent down, 14 per cent front end equity and 75 per cent of standard level payment, it would work. That would always ensure that the debt would never exceed the original principal, or cost of the house. Alternatively, they could put 8 per cent down and have the payments 85 per cent of the normal level payments. Either of those would work as long as at any given time there would be no negative equity. That is the key to making the GPM work. Any other formula will not work.

The minister knew this scheme was bound for disaster. The banks and financial institutions of the country as well as the CMHC warned him. He knew this would not be an exciting program to the banks because of the track record of AHOP. The GPM is identical to AHOP in the concept of 5 per cent and 75 per cent.

The minister must have thought that he could throw in a sweetener—give them a deal they could not refuse. In effect he told the private banking institutions, "The government is not going to have any more responsibility for funding for families whose incomes cannot buy a normal market mortgage." He was saying that the government is going to wipe its hands of funding responsibility and put it all in the private sector. He was saying, "Boys, here is a deal you cannot refuse. If you accept this kind of funding which has already proved to be disastrous in AHOP"—that is my editorial note—the minister did not admit that, never has, and probably never will. The sweetener is—and this is all in the bill—that if the GPMs are in default for 90 days, all the lender—the trust company or the bank—has to do is to phone CMHC and tell them, and CMHC says, "All right, we will make good the mortgage." It is done immediately, without any foreclosure procedure, without any normal period in which they can give notice of foreclosure to the tenant, or to the mortgagee. There is none of that. CMHC will pay up immediately. That was the sweetener, and knowing it was a bad economic policy the government said, "Do not worry, this will not cost you a cent. If they are three months in arrears, we will guarantee the payment."

Sir, I am glad that the banks and the trust companies in this country are more responsible than the minister. They said, "That kind of financing is morally indefensible. We will not do it. We will not go along with it." Here is the answer, sir. I will make those changes in committee. I will make the amendments that will change the GPMs so that they will be acceptable to the lending institutions of this country. I will give the minister notice now that if he does not accept those and the other amendments which we have proposed on this side to clean up Bill C-29 and make it look like a housing policy instead of political gimmickry, we will not support this bill on third reading. We will vote for it to go to committee so we can clean it up. That is the stance we are taking. It is a positive stance, getting ready for government.

• (2110)

We have positive proposals. We will take them to the committee and we will move every amendment necessary to make this act work and to make it equitable. We will make it do all the things the minister claims he wants done but claims he cannot because the legislation is inadequate. We will do that. But if you do not accept those, sir, we will vote against this bill on third reading. We will do so because the legislation is wrong and the GPM is morally indefensible. It will lead to the same kinds of disasters we have experienced with AHOP.

There are two other alternatives about which we have been talking. These are positive suggestions that we have asked the minister to consider in the area of housing. We have asked him to look at reverse annuities for senior citizens or for those people who have equity in their homes but may want to turn that equity into an annuity. We have asked the minister to look at that. Up to this point in time there have been no studies and no reviews. We have not had a minute's worth of study done by this minister's department on reverse annuities.

We have asked the minister to look at variable rates. But as soon as we say that variable rates are popular in some states of the United States, the minister has this phobia that interest deductibility is an American phenomenon. It is an American dream but it has been part of the American housing policy for some 50 years. So the minister has this phobia that an Americanized dream is something wrong. It is something like saying that we cannot copy those Americans. The minister has not even considered this suggestion. As a matter of fact, the words variable mortgage have never passed his lips. He cannot bring himself to say the words. We are saying the words tonight. I am asking the minister to look at variable rates in mortgages which have worked successfully in many of the states in the United States.

I see that my time has almost expired, but before closing I would like to tell the minister that we have been watching his activities over the last year. We have been waiting for this legislation. I want to tell you, sir, that I am disappointed that this minister continues hacking at the branches instead of digging at the roots. He hacks at the branches, changing the rules. He has a program one day which he changes the next. He has an AHOP policy one day and he abolishes it the next. This government, and this minister, will be known as the government of default by default. I would hope that when we take the reins of government the comparison will be made that they were the government of default and we were the government of no fault.

To that end we would commit ourselves and our party not only to good economic policy but to a housing policy of equity for all.

Some hon. Members: Hear, hear!

Miss Aideen Nicholson (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I welcome the National Housing Act amendments which provide some needed additional flexibility. I am particularly pleased that the restrictions were removed from the Residential Rehabilitation Assistance Program so that it is no longer limited to housing in areas designated for neighbourhood improvement. When this bill is passed, the Residential Rehabilitation Assistance Program, or RRAP, as most people know it, will make available to individual home owners CMHC direct loans and subsidies based on income. Co-operative housing groups and non-profit associations will also be eligible for RRAP assistance without being limited to designated areas.

Representing as I do an urban constituency with older housing and with many skilled construction workers who could do repairs and reconstruction, I am particularly pleased to see measures that favour renovation and preservation of older housing.

Many of our Canadian housing programs up to now have been aimed at increasing the supply of new houses. For example, ceilings on the AHOP program were such that, in Toronto, buyers were limited to a condominium or a townhouse in the suburbs. But many people prefer to live near their

families and friends in the inner city without having to spend a lot of time and money travelling to and from work, hence the importance of renovating older homes and doing this in a way which makes these homes accessible to people with low incomes, whether these older homes are renovated by individual home owners or by a group of people who have decided to form a co-operative in order to provide themselves with affordable housing.

Prior to 1973 co-operative housing was treated as just another form of home ownership and received the same treatment and benefits as a single applicant for a home owner loan. I am referring here to both types of housing co-operatives, first the building co-operatives in which a group of people simply pool their resources to build their housing at the same time with each member of the group owning a unit outright, to do with as she or he pleases, and second, the continuing co-operative or the non-profit group which provide housing for members, in which case the co-operative itself owns the housing, each member has a share in the project, and none of the units in such a co-operative can be sold for a profit.

By 1973, although building co-operatives received some assistance, continuing co-operatives under group ownership had great difficulty in getting recognition and acceptance under the act. One problem was that legislation did not provide for co-operatives to obtain loans for low rental housing, except as the sponsor for a project in which residents did not have to be members. In other words, people with low and moderate income could have housing provided for them, but they could not own it through a co-operative.

Another problem prior to 1973 was that co-operatives could obtain funding only for new projects, not for existing housing, nor even for the rehabilitation of existing housing. As a result, people in a rental project could not get an NHA loan to buy it co-operatively even if the landlord wished to sell it to them. This made it difficult indeed to mount a strong national progam of co-operative housing.

Nineteen seventy-three, however, saw the beginning of some of the changes, the final development of which we see in the present bill. This was aimed at helping co-operatives to develop fully as another housing alternative, and particularly for Canadians with low and moderate incomes. The two most important provisions in the 1973 legislation were, first, that housing co-operatives could qualify for 100 per cent loans for non-profit, low rental housing; and, second, loans were made available for both the purchase and rehabilitation of existing housing. That new legislation in effect started a new form of co-operatives, one in which members are collectively owners but individually are in a leasehold position. On the one hand, they have the proprietary rights of a landlord and, on the other hand, the rights and advantages of tenants.

● (2120)

Recently the Minister of State for Urban Affairs (Mr. Ouellet) had extensive discussions with the Co-Operative Housing Foundation of Canada which resulted in an agreement concerning the administration of subsidies and charges to occupants of the housing units that serve mutual objectives.

The new agreement provides for fewer controls by CMHC on actual project development, and allows co-operatives to have the opportunity to use a wider range of procurement techniques based on the group's experience. Greater latitude is also given to co-operative groups in choosing between the acquisition of existing developments and the construction of new projects. The agreement provides, as well, for a significant increase in the federal financial support to co-operative projects, and continued application of the Residential Rehabilitation Assistance Program. This agreement reflects the greater experience that has been gained in co-operative housing.

One important feature of the new legislation is that co-operative housing will be available to anyone, on a rent to income basis. Those who can afford to pay the full rent will do so. Those whose income is not sufficient to allow them to afford the full rent will pay according to their income, and the resulting losses will be offset by federal government subsidies.

There is no doubt that the new program will result in much higher production of this much needed type of accommodation; federal assistance will be almost doubled, and I understand that private lending institutions have indicated their willingness to invest as much as $500 million during the next few years in support of co-operative housing. This means that the number of people living in co-operative housing could easily double in a few years, going from the present level of about 50,000 to more than 100,000.

I am pleased to see this enhanced support to co-operative housing. It represents another means of offering an improved choice to families who want to own a home and are willing to put work into it but do not have large amounts of capital available.

Mr. James A. McGrath (St. John's East): Mr. Speaker, I am glad to see that the Minister of Public Works and Minister of State for Urban Affairs (Mr. Ouellet) is in his place tonight. I know he has been following the debate very closely. I hope he will follow what I have to say.

First, I think this has to be said. It has been mentioned by other members in the debate. It seems we should have been dealing with this bill six months ago, if not a year ago. That would have given us an opportunity to give it the kind of scrutiny and the kind of committee study that it requires.

There are many good, very commendable features in the bill. Quite frankly, there are also parts of the bill that bother us. They require much closer scrutiny. Consequently we are looking for the opportunity of giving the bill, if the life of this parliament permits, the kind of scrutiny in committee that it so justly deserves and warrants, especially given the performance of this minister during his tenure as minister responsible for housing and Central Mortgage and Housing Corporation.

I wish to speak on one aspect of the bill, namely, the program that will replace the Assisted Home Ownership Program. There is no question about the commendable objectives

of the AHOP program. It has succeeded in making affordable housing available across this country to people who normally would not be able to afford to buy a home, especially in this inflationary period we are going through at the present time. It has succeeded in that objective.

Perhaps one of the reasons AHOP is in trouble, and it is in serious trouble notwithstanding the fact that it is about to be scrapped and replaced by a new program, is because it was put in place with unseemly haste. Projects were approved without due regard to the inspection capability of the corporation or of the Ministry of State for Housing and Urban Affairs.

What should have been a bonanza for the low income earners who could not afford housing has in fact turned out to be a bonanza in the form of a substantial windfall to some of the developers and builders in this country, some of whom set up fly by night operations merely to cash in on the government's haste to get on with the AHOP program.

One only has to go across this country and look at some of the projects that have been built under the program. I have seen several. In the city of Surrey, in the Vancouver area, there is an AHOP program which is disgraceful. I hope my colleague who represents that part of the country will enlarge upon that. I find the situation all across the country. Montreal has a substantial AHOP program with serious problems because of inadequate inspection, hasty construction, and the use of substandard building materials. The same is true in the city of Hamilton and in my own city of St. John's.

It is that program in the city of St. John's that I want to speak about tonight for a few moments. I do so because it happens to be in my constituency and because of the fact that I believe what has happened in the Virginia Park AHOP program is unfortunately typical of what has happened to other AHOP projects across the country. Let us take a look at it.

This project was built by a contractor who formed a special sub-company, if I can put it that way, to carry out this project. That company no longer exists. What does exist is over 100 houses on which the brick is deteriorating. Substandard building materials were used within and without. There is faulty plumbing, faulty wiring, inadequate insulation, indeed in places no insulation at all, all pointing to the fact that this project obviously did not receive adequate inspection.

As a result of some very good investigative reporting by the CBC program "The Fifth Estate", aired on December 5, there is now an RCMP investigation into allegations of pay-offs by the builder to CMHC inspectors. Charges have not been laid but the allegations have been made and the investigation is under way.

● (2130)

I first brought this matter to the attention of the minister almost two years ago. At that time the complaint did not relate to faulty brick as that had not made itself apparent. I was requested by the people who were buying these homes under the Assisted Home Ownership Program to inspect personally some of the grievances they were trying to get redressed by CMHC. I saw first hand in these houses the use of bathroom fixtures that, at best, could only be described as seconds. For example, one thing I noticed in several of the houses I visited was that the bath tubs had cracks in them. I asked the home owner who first identified this what excuse he had been given for this. He said he had been told that one of the workmen had dropped a hammer into the bath tub. I found that this workman had dropped several hammers in that particular block because every second or third house I examined had a bath tub with a crack in it. Similarly with the sink fixtures, they were just hanging from the walls.

There was inadequate plastering and the windows dit not fit, to the point that on a rainy day with the wind blowing in a certain direction the rain would come inside the house. There were problems in relation to inadequate insulation resulting in unusually high heating bills. All these things were identified in that project several years ago. Letters were written, but nothing was done about them. It took the deterioration of substandard brick to bring this matter to a head.

When this bill does get before committee I will have the opportunity to lay the whole sordid picture of the Virginia Park AHOP project before this House in the form of photographs, affidavits, engineering studies and the whole bit.

What I and these people find difficult to understand is the attitude of the minister and of CMHC. This matter has been raised on a number of occasions in the House by myself, and the response from the minister has been to the effect that this is not the responsibility of CMHC. What was their response when confronted with this? Their response was that they would make additional moneys available to the owners of these houses so they could carry out the necessary repairs themselves. On the face of it that seemed like a reasonable offer, until it was discovered that what they intended to do was make the additional moneys available to the home owners and then add it on to their mortgages, giving them a year or two before they had to start paying back the additional moneys. In addition, they would have to pay back an unfixed interest rate on the money for that period of time during which payments were not made. That was the generous offer the minister made.

In reply to my question of January 23, the minister said as reported at page 2440 of *Hansard*:

> The offer does not only include an increase in the loan, but the possibility of subsidies attached to this offer of an extra loan in order to allow people to make urgent repairs to their homes. Discussions are going on at the present time between the CMHC regional director and the lawyer representing some of the owners, but I should like the people concerned to look fully at the advantages which are offered, because CMHC is going beyond normal practice in trying to accommodate them and help them solve their problems.

These are not their problems because, unless the minister comes to his senses, or a case can be made in committee following which the minister adopts a more reasonable and positive attitude, this will be a question for the courts to decide.

What we are looking at here is a project in respect of which CMHC approved the builder in the first instance. CMHC had to approve the site and approve the plans of the buildings. It

had to approve the materials that were being used, and had to inspect the construction throughout, and in fact make the final inspection before making progress payments available to the contractor. That all took place before the home owners came into the picture, so there is no question about where responsibility lies.

Although the minister has not told me this, has not said so in the House, the reason the minister and CMHC have taken this attitude toward the Virginia Park AHOP project is that they are afraid of opening the flood gates. They know there are literally hundreds and hundreds of AHOP houses across this country which people bought from CMHC in good faith, secure at the time in the knowledge that they had been inspected by the national housing agency of the Government of Canada and approved by that agency. They felt they had a reasonably good investment, but found when they moved in that the houses had been inadequately inspected. That is the only logical conclusion you can come to after examining these projects, not just Virginia Park. You must come to the conclusion that in fact somebody had failed to ensure adequately through the inspection process that first class materials were being used throughout.

CMHC has now taken the attitude that these people have to assume the financial responsibility for this faulty brick, for the inadequate or substandard building materials, and for the inspectors who must have been blindfolded when they inspected and approved some of these things I saw first-hand. These people are expected now to pay for the mistakes of the Minister of State for Urban Affairs and for the mistakes of CMHC. Can you imagine the minister and CMHC now saying these people who have had their problems fully identified by the National Research Council, which did a study of the brick, and by professionals who were readily able to identify some of the serious flaws in construction and some of the substandard materials used, are themselves responsible? Can you imagine them saying they will provide the funds necessary to make the repairs but will add them on to the mortgages? They will not indicate what interest they will have to pay on that money until a year or two down the road. In the interim they will get the money that will be added to their mortgages and will have to pay interest for the use of that money.

These people have unanimously rejected that offer outright. There was not one single dissenting voice to that rejection. There was no political coercion, because they spoke through their solicitor, a gentleman by the way who has been doing a first-class job on behalf of these people notwithstanding that at one point in time he was a Liberal candidate in St. John's East. He has been doing a first class job for these people, without any remuneration whatsoever. There is no political motivation behind what has been happening at Virginia Park, but each time this question has been raised in the House the minister has admitted that a problem exists. He has also been very quick to admit that in no way could the corporation be considered financially liable for what has happened to these homes. What has happened to them?

• (2140)

My colleague, the hon. member for Selkirk (Mr. Whiteway), has referred to the fact that many of these homes have depreciated in value, partly because of the fact that the housing market has levelled off, but largely because of the fact that many of them were built, all at the same price, and held at a certain level. Let us say I am in the city of Toronto and I pay $45,000 for my house. Someone moves in next year and pays $45,000 for his house, so the price of my house remains the same. These houses have depreciated in value because of faulty construction and substandard materials, yet the minister and CMHC fully expect these people to add on to their financial liability and to increase the cost of houses which have in fact depreciated in value. It is not difficult to understand why such an offer was rejected, if it can be dignified by being termed an offer.

The offer was rejected outright. I am not concerned about the flood gates. I am not concerned about the fact that the minister may very well be setting a precedent if he decides to deal with Virginia Park in a just way. He may be setting a precedent he will have to live with in Montreal, in Hamilton, in Vancouver, or wherever this problem, which seems to be characteristic of AHOP across the country, occurs. I am concerned only with seeing that justice is done for those people who bought those houses having faith in National Housing Act inspections and through the good offices and because of the good reputation of the Central Mortgage and Housing Corporation. I look forward to confronting the minister when this matter goes to committee. I serve notice to the minister right now that although he may think he will get this bill through expeditiously because there are some commendable features, and because he is bringing it in the dying days of this parliament, until we get satisfaction on these AHOP projects across the country, and certainly until I get satisfaction on what has happened to the AHOP project in my own constituency—

Mr. Friesen: And mine.

Mr. McGrath: My colleague talks about his.

An hon. Member: Filibuster.

Mr. McGrath: The hon. member can call it a filibuster if he likes, but we have a responsibility to represent our constituents in this House, and I intend to bring before the committee evidence which will indicate beyond reasonable doubt just exactly where the fault is and where the blame lies. The minister should be prepared to change his attitude and come up with a reasonable solution to this problem. What I would call a reasonable settlement would be a cash settlement after an adequate assessment as to the extent of the damage has been made, a cash settlement with no strings attached. In other words, the people involved should be able to repair their homes, replace the faulty brick, replace the faulty windows, replace the faulty fixtures—

Mr. Brisco: Replace the minister.

Mr. McGrath: —and put in proper insulation, and they should be able to do that without being out of pocket one dollar. We will settle for nothing less because I think these people are entitled to that. Simple justice demands that, and as a representative of people who are victims of one such AHOP project I intend to settle for nothing less.

[*Translation*]

Mr. Marcel Roy (Laval): Mr. Speaker, I am pleased to take the floor on this important piece of legislation concerning our population's most urgent needs.

If I may, I would first like to comment on the speech just made by the hon. member for St. John's East (Mr. McGrath). To me, he seemed more like a housing inspector than a legislator. He mentioned a few isolated cases of possibly inadequate construction, but he once more reflected his party's attitude; as far as construction is concerned, his party has barely reached the plumbing phase, whereas the Liberal party is into urban planning.

The attitude shown by the hon. member who preceded me exactly reflects the position of a party lacking in imagination, except to limit itself by telling Canadians: Ask your municipalities to increase your municipal taxes and we will give you a $2 billion federal income tax credit.

Mr. Speaker, this is applying a band-aid where a review of the planning process is needed. I am proud to belong to a party which has improved the construction situation in this country; the picture is highly positive when one considers that an average of 250,000 units have been built in Canada the last four years. We note that, from 1967 to 1977, we have, through the federal housing agency, built a great number of housing units—an average of 10 new units per 1,000 inhabitants.

I would like to take this opportunity to thank the ministers responsible whom I see here tonight: the President of the Board of Economic Development Ministers, the hon. member from Thunder Bay and also the hon. member for Papineau, the present Minister of Public Works, who were largely responsible for these initiatives and achievements in housing. I think that in the eyes of Canadians these figures and these achievements are much more serious and positive guarantees for the future than the speech made by the hon. member for St. John's East, where he dealt with specific cases out of the number of housing units in Canada that I mentioned. He preferred to speak of local problems rather than deal with this issue to the extent covered in the legislation before us.

The purpose of this bill, Mr. Speaker, once the provinces have been consulted, is to adopt a global approach to federal financial assistance to municipalities by combining the neighbourhood improvement program, the municipal infrastructure program and the municipal grants program in a single community services grant program. One of the objectives, and certainly not the least, in view of the present housing situation for low income earners and the fact that under existing agreements we are building 19,000 housing units, is to build 30,000 such units for low income earners.

● (2150)

The federal and provincial governments agreed to finance those three programs to the extent of $150 million for 1979, $250 million for 1980 that will be distributed at the provincial level through community services contributions based on the population and the financial capacities of the municipalities.

For the information of hon. members and particularly the people who are listening and watching us, the province of Newfoundland will get through this new legislation $4.2 million in 1979 and $7 million in 1980. As concerns the province of Quebec, it will get about $47 million for 1979, and $78 million for 1980. I shall not list the amounts for each province but it is clearly mentioned in the legislation.

Mr. Speaker, I am very optimistic as concerns our performance in the housing field, and the infrastructure at the municipal level, and as the hon. member for Laval, which is the second largest municipality in the province of Quebec, in population and area, I can say that we benefited from the help given by the Canadian government to all those programs. I think that as concerns the population of Laval, I must congratulate the Canadian government and the minister responsible, who is now Minister of Public Works, for the precious contribution we got through those various programs, the social housing program, the infrastructure program or the municipal assistance program, to allow municipalities to make the most economical possible use of the land for building projects in view of the increasing cost of public utilities. As an example, the amount of $2,157,000 was given to the city of Laval under this assistance program for municipalities which want to build in high density residential areas. If we take this amount and relate it to general rates, this meant a reduction of 3 per cent in general rates for all residents in the city of Laval in 1976-77 and will probably mean the same thing this year. If we take a house assessed at $40,000, this means $120 per home owner under the policy which was cancelled last December.

Even though I am quite optimistic about this program and the results obtained by Central Mortgage and Housing Corporation, I am much more concerned about this bill, as I told the minister when he appeared before the Standing Committee on Health, Welfare and Social Affairs. I expressed my concern while being well aware that this was a request made by the provinces under the pretext that it come under provincial or municipal jurisdiction, which is quite true, but we have accepted that this become more and more a provincial responsibility, and the various projects will be approved following applications made by the provinces.

Let us look at the situation of social housing in 1977. Mr. Speaker, I refer you to the annual report of the Central Mortgage and Housing Corporation. We can read the following on page 20, and this describes in summary the interest shown by the provinces in the development of social housing. The House will see how my concern is justified if we take into account what I have just mentioned. This is what it says:

The largest shortfall in loan commitments under CMHC's 1977 capital budget was for the construction and acquisition of housing for low and moderate income people. This was particularly marked for public housing to be rented to tenants according to an approved rent-to-income scale. Commitments for this type of housing financed with loans by CMHC to the provinces, and by joint investment undertakings by CMHC and the provinces, totalled only $199 million in 1977 compared to a budget allocation for the year of $353 million.

—which means that $199 million of the $353 million available were used, and I continue:

In 1976, some $403 million had been committed for these purposes under the National Housing Act.

So we can definitely see a rather considerable reduction in the amounts which were made available to the provinces for public housing. I bring to the attention of all provinces and of all organizations that if this amendment is made through the Central Mortgage and Housing Corporation Act, we shall reach our objectives, namely to increase the number of housing units for low income people.

May I call it ten o'clock, Mr. Speaker?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

AIRPORTS—NAVIGATIONAL AIDS AND FIREFIGHTING EQUIPMENT FOR CASTLEGAR, B.C.

Mr. Bob Brisco (Kootenay West): Mr. Speaker, on February 20 I addressed two questions to the Minister of Transport (Mr. Lang) relative to the firefighting equipment at Castlegar and the navigational aids at Castlegar airport. In his response the minister made what I consider to be an innocent mistake, one which I drew to his attention as a point of order a couple of days ago. Whereas I was talking about third party contract agreements, the minister was under the impression that I was directing my question to the subject of insurance contracts for smaller airports across the country.

[Mr. Roy (Laval).]

● (2200)

I am well aware of the fact there are a number of smaller airports across Canada which were concerned about this particular problem, and that the minister covered some 37 airports with a $100 million liability insurance per airport. In itself that action has taken a great deal of strain off the concerns of the smaller regional municipal airports. The minister failed to understand in my question that I was referring to third party contracts, the habit of the government to turn over the operation of regional airports to a third party. There are a couple of classic examples.

I suggest Your Honour should look at Resolute Bay where, in a period of a few years, there was a 229 per cent increase in the operational costs of the airport. Also we can look at the record of Frobisher Bay operated by the Tower Corporation out of Montreal. We will see that Nordair and its pilots expressed considerable dissatisfaction over the operation of that field. We see in a very remote area an airport which recently was blocked completely from any contact with the outside world through that travel mode by virtue of several days of blizzard. We see an airport which does not have a fire chief and does not have the type of firefighting expertise one would expect to be in place in an airport with such a remote location.

When the briefing session was held for the people bidding on the third party contract for Castlegar airport, it was interesting to note that some of the bidding parties did not even know where Castlegar was located. Some had mistaken Cranbrook for Castlegar. Some thought it was somewhere in the northern part of the province. Others did not know where it was. There were three firms in Castlegar which bid on the operation of that airport. Although I am not fully convinced the third party operation is the route to go, certainly I would prefer being in a position to deal with a local contractor. But on the basis of the bids submitted, it appears the award may well go to Agda Ltd., a firm of consulting engineers in Ottawa. It could go to the second highest bidder, the Tower Corporation of Montreal. I think my suspicions will be borne out in fact. I suspect that any of these firms removed from the city of Castlegar will have that operation run by subcontractors. Not only do we see the operation of the airport run at arm's length or at some considerable distance, also we see subcontractors running the airport. The service at that airport will deteriorate as a result of this kind of nonsense.

In terms of the navigational aids which I raised with the minister, and in terms of firefighting equipment, Castlegar has received nothing but empty promises. They were promised a foam truck over a year ago. They still have no foam truck and no facilities for storing it in the winter, as foam freezes.

● (2205)

Castlegar was promised a new navigational aid to replace the one which comes out of the Smithsonian Institute located at Crescent Valley, a navigational aid which is so old that the ministry has trouble finding spare parts for that particular unit. Yet these promises have not borne fruit.

We find that the Ministry of Transport denied Castlegar airport the construction of a sand shed so that the sand would not freeze. They said that it would be too expensive, so it was taken out of the airport budget, and the workers themselves at the airport built it, solidly, for $6,000. We find that Kelowna has an aluminum frame building which is sitting there and getting mouldy with age. This building sat there for a year and nobody knew who ordered it, why it was ordered or what it was to be used for. Yet it was there, but there was nothing for Castlegar. Penticton has 61 employees under the Ministry of Transport, but Castlegar has less than half that.

In terms of navigational aids the minister has said that he is concerned that they use navigational aids according to the geographical conditions of that particular area. No other airport in Canada is more qualified for a VOR than Castlegar. The approaches to Castlegar are exceedingly narrow. It does not qualify under any of today's terms of instrument landing technology for instrument landing. Therefore it is time that Castlegar received a VOR and that the minister stopped fooling the public.

Mr. Charles Lapointe (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I would like to provide a brief bit of background information in response to the question by the hon. member for Kootenay West (Mr. Brisco), dealing with firefighting equipment and navigational aids for the airport at Castlegar.

A contract operation of the airport has become necessary because of a decision made by the city of Castlegar to cease operating the airport effective March 31 of this year. The city has been fully consulted with regard to this course of action. Other possible, but less favourable, options would have been the closure of the airport or operation by Transport Canada.

It is planned, Mr. Speaker, to place a small foam crash truck capable of carrying 400 gallons into Castlegar airport around the middle of April this year. This vehicle will remain in Castlegar until such time as deliveries of medium foam trucks, capable of carrying 1,000 gallons, commence from the next contract. The next contract for airport emergency vehicles is in the tendering stage at the present time, and one medium foam truck for Castlegar is included.

The "D" category airport in which Castlegar falls requires a first response truck and a foam truck of 850 gallons capacity. Castlegar already has a first response truck. With the addition of the small foam truck of 400 gallons, it will be slightly deficient in the amount of water carried during the interim pending arrival of the new medium foam truck of 1,000 gallons.

[*Translation*]

In August 1978, the installation of a localizer beacon with distance measuring equipment, commonly called DME, in Castlegar was approved and the project was to be carried out in 1982-83. Since then, Mr. Speaker, it has become possible to carry out that project in 1980-81.

Such equipment will replace the low-frequency range used in Castlegar and will provide better signals to pilots making ILS approaches. In addition, DME facilities on the ground will give a more accurate distance between aircraft and airport to planes equipped with that device. The information provided by both navigational aids will give the pilot a better position reading during the ILS approach, which is an improvement to the navigational aid system of that airport.

[*English*]

FISHERIES—NEGOTIATIONS RESPECTING ALASKA COAST HALIBUT FISHERY

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, on February 20 I rose in the House to ask the Minister of Fisheries and the Environment (Mr. LeBlanc) the following questions:

What is the status of negotiations relative to halibut fishing off the Alaska coast?

And, secondly, I stated:

—the fishermen in that area are very concerned that their privileges will be exchanged for rights granted in eastern waters. They have registered their protest with the minister with respect to this matter. Reports are that they will be excluded from American waters and they will have to go to Canadian waters which are already overfished.

There are at least four areas of concern, and possibly more, which the fishermen in British Columbia have. I raised the matter in the Standing Committee on Fisheries and Forestry just a few days ago, but I did not get much more satisfaction from the minister at that time than I have received in this House.

● (2210)

In committee I discovered that the United States government served notice on the Minister of Fisheries several years ago that they were planning to end the halibut fishing convention which has been in operation for something like 55 years off the cost of Alaska. If the minister knew two years ago that there was going to be some finality to this agreement, why did we not have a fallback position? Was there no back-up position for our negotiators when they went to Juneau to negotiate last September?

The second important question is: what happens to the halibut fishermen during this time? The negotiated settlement with the United States provides that this year Canadian halibut fishermen will be able to catch half of their normal catch quota, and next year it will be one quarter of their normal catch quota. A fisherman who is handed an ultimatum that he can only catch half as much as in other years would begin to worry about his income, especially if he has a boat with a crew of four or five to look after. He must wonder how he is to make a living. There are from 40 to 60 craft with a total crew of up to 250 people who must wonder what they will be doing this summer. If that is to be the normal catch, half of them must be wondering, and the rest will have to wonder after next year. If we consider the gross products involved in

Canadian export, then we must worry because there is no other market for them at the present time.

The next problem is one of confidence. The halibut fishermen are organized into about nine different groups. All were invited to go with Ambassador Cadieux to help negotiate the settlement. After the negotiations were settled they sent a news release to the minister saying unanimously, "We are opposed to this agreement because we cannot make a living with this kind of settlement." I grant that one person did not sign because the Minister of State (Fitness and Amateur Sport) (Mrs. Campagnolo) called him directly and asked him not to sign. The rest of them all signed as being opposed. They would rather have settled for three million pounds than the two million and be cut off entirely next year, than get the kind of half life settlement they are subject to this time.

Regardless of what the fishermen wanted, Mr. Cadieux accepted it. I cannot help but wonder why they were invited in the first place. If people who know something about the industry first hand, unanimously rejected the agreement, then what was the ambassador trying to do?

My fourth concern is about what will happen to the groundfishermen off the coast of Vancouver Island. In committee the other day the minister admitted that those stocks are already at a critical stage of depletion and that we cannot afford to fish them much more extensively than at the present. Surely the United States fishermen in the area are going to get all they can from those fishing grounds. I wonder about the kind of surveillance the Department of Fisheries has been exercising when our stock cannot reach that state. We have something like 140 trawlers out there working those fishing grounds which are at a critical level already. What happens if 40 or 60 halibut fishermen are introduced to the area? The United States fishermen who are withdrawing will be replaced by Canadian fishermen coming into the area.

● (2215)

Finally, there is one more concern that I need to put on the record. That is the presence of factory ships. The minister has introduced licences. He says all the time that these are for stocks that Canadians are not accustomed to fishing and processing. That may be true, but that does not mean that they are not doing it. With the kind of surveillance that we have in that area, I question whether that Polish ship, or whatever flag it is flying, is restricted to that kind of a licence.

I asked the minister a very pointed question in the lobby several weeks ago. He had his executive assistant with him at that time. My question was: what kind of a labour agreement does that factory ship have because the fishermen in B.C. are wondering about it. It was a secret negotiation, apparently. The minister turned to his assistant and asked him to find out and to let me know. To this day I have not heard what kind of an agreement or contract it was. Those fish are being caught out there, they are being processed and transported out there, but the Canadian economy gets no tax benefit and apparently little labour benefit from it. Canadian people, and certainly the fishermen on the west coast, have a right to know what kind of an agreement has existed between the factory ship—that flag ship—and the Government of Canada.

[Mr. Friesen.]

Mr. Jack Pearsall (Parliamentary Secretary to Minister of Fisheries and the Environment): Mr. Speaker, negotiations between Canada and the U.S.A. concerning Canadian halibut fishing off Alaska took place in Juneau, Alaska, February 14 and 15, and a proposed agreement was worked out. It has not, and I wish to emphasize at this time that it has not been approved by the two governments. The Canadian and the U.S. negotiators have made recommendations to their respective governments that, if approved, would mean the continuation of the International Pacific Halibut Commission and the phase-out of Canadian halibut fishing off Alaska.

Under the proposed agreement, Canadian fishermen would be allowed to catch two million pounds of halibut off Alaska in 1979 and one million pounds in 1980. In other words, compared to what Canadian fishermen took in 1978, they would be allowed to take about 55 per cent of that amount in 1979 and about 30 per cent in 1980. The two negotiators have also agreed to recommend that U.S. vessels be allowed to catch 3,250 metric tonnes of groundfish off British Columbia in 1979 and 1980, or about 40 per cent of recent levels.

I would like to point out that the Canadian halibut fishery that was under discussion was carried out in waters under the fisheries jurisdiction of the U.S.A., and if an agreement were not concluded, Canadian fishermen would not be allowed, and I repeat would not be allowed to fish for halibut in 1979 or subsequent years.

I would also like to reaffirm a statement made by the Minister of Fisheries and the Environment (Mr. LeBlanc) in the House on February 19, that if there is to be dislocation of the Canadian halibut fleet, a program of relocation is being considered. Officials have interviewed almost all of the owners of vessels which have fished in that area, and a program is being designed that will take into account the individual circumstances of the fishermen affected either by an abrupt termination of the Alaskan halibut fishery, or through a phase-out.

NATIONAL REVENUE—SALES TAX ON STORM WINDOWS AND DOORS

Mr. Jack Hare (St. Boniface): Mr. Speaker, I rise in the hope of obtaining a sensible answer to a question I put to the Minister of National Revenue (Mr. Abbott) on Tuesday, February 20. It concerns energy conservation in the home. It specifically relates to the government's decision in the November 16 budget to reimpose the 5 per cent federal sales tax on storm windows and doors. These are items which heretofore had been tax exempt.

I have received a communication from a manufacturer in St. Boniface who is in the door and window business. He is a small manufacturer and employs about 60 people. This is a very important industry in St. Boniface. In a telegram to the Minister of Finance (Mr. Chrétien), my constituent stated:

● (2220)

Your reimposition of the federal sales tax on windows and door defeats discriminately our purpose in reducing energy wastage in this world energy crisis. You have deflated us and left us cold. We now see no purpose in pursuing the critical need to manufacture good double and triple windows to save energy. If every house in Canada was supplied with single windows then perhaps you would realize the importance of good windows and doors in this energy crisis. It is unfortunate that with the stroke of a pen and without any consultation with our industry you elected to penalize particularly the people in the cold west.

I ask the minister to explain the rationale behind this change in tax policy. In all fairness I should mention that the minister has made a stab at an explanation in a letter sent to my office on December 13. In that letter the minister explained, in a bewildering example of logic, that:

The exemption for storm doors and storm windows was originally intended to be confined to these goods for installation on existing buildings. This was not found to be practicable, however, and as a result, all double glass windows and glass cladding material became exempt from sales tax. As glass is less efficient in energy conservation than solid wall construction, the exemption did not achieve its original intent.

The government has made a point of professing its support for measures which would conserve energy. I wish to quote one short paragraph by a scientist with the Economic Council of Canada:

The implementation of energy conservation programs will benefit Canada more in both the short term and the long term than equivalent investments in new energy producing facilities, according to a paper by D. B. Brooks.

The government has encouraged Canadians to turn unnecessary lights off, to put on a sweater before adjusting the thermostat. Indeed, considerable lip service has been paid to saving energy. The government claimed the need to create an energy conscious atmosphere in Canada, with the idea that reduced consumption of energy would result in reduced dependence on imported oil. It is a worth-while and necessary pursuit. The energy crunch has everyone concerned. Only last week the government introduced legislation enabling it to ration energy supplies in case of emergency.

Conservation is a vital part of any national energy strategy. As we seek out new, more reliable sources of supply, we should also be working simultaneously to bring in measures which encourage more efficient use of energy. The reimposition of sales tax on storm windows and storm doors, as well as the continued taxation of insulated steel, one door systems, is lamentably misplaced, in that it acts to discourage efficient use of energy. There had been a good reason for the previous tax exemption on these items, namely, that double and triple glass storm windows and doors make a substantial contribution to the conservation of energy in the home. Now, because the minister has surmised that "glass is less efficient in energy conservation than solid wall construction", storm windows and doors are to be taxed. I really wonder if the minister expects us to live in houses with no windows? Of course glass is less energy efficient than solid walls, but double and triple glass is a lot more efficient than single glass.

Another concern arising from that confused letter is the distinction the minister makes between the need to encourage installation of energy efficient windows and doors on existing buildings and an apparent disinclination to provide for the inclusion of these same items on new buildings. Should not all buildings be equipped to conserve as much energy as much as possible?

I sincerely hope this government is interested in providing incentives for the conservation of energy. In the United States, not only is there a tax exemption on the sale of storm windows and doors, but a tax credit of 15 per cent is available for their installation. Somehow U.S. taxation officials in all their wisdom are able to get around the obstacles which dumbfound our government in its purported efforts to promote energy conservation in the home.

● (2225)

In Canada as well there has been recognition of the energy conservation value of double and triple glazed windows and doors. The Associate Committee of the National Building Code, of the National Research Council, determined in 1978 that within certain specifications double and triple glazing of windows or single glazing with a storm sash provide the necessary thermal resistance to be considered energy efficient. I wish we could make the government realize the value of insulated windows. We would like to see a co-ordinated energy conservation strategy put in place.

[*Translation*]

Mr. Yves Demers (Parliamentary Secretary to Minister of National Revenue and Minister of State (Small Business)): Mr. Speaker, when the June 23, 1975 budget was brought down, the hon. John Turner announced three important changes in the excise and sales tax. Those changes included an exemption for storm windows, storm doors and double glass windows to be installed on existing buildings. The purpose of that exemption was to encourage the owners of those buildings to conserve energy.

It was realized that those double glass windows were being used not only on existing buildings but also in the construction of new ones. The use of those windows in the latter case was giving a fiscal advantage to the users of glass over the users of other conventional materials. The latter usually have to pay a tax at the reduced rate of 5 per cent. Let me give you as an example in the national capital: the Place du Portage buildings are built of pre-stressed concrete, which is subject to a rate of 5 per cent, while the Bank of Canada building, whose outside face is made of glass, is consequently tax exempt.

The June 1975 budget provided an exemption for that glass when used on existing buildings but not on new ones. It proved to be very difficult to apply the act, the manufacturer being unable to control the use of his products. Mostly because of that administrative difficulty, it was decided to cancel that

exemption in the November 16, 1978, budget. That is why, Mr. Speaker, the Minister of National Revenue (Mr. Abbott) gave the answer he did in his letter of December 13 to the hon. member for St. Boniface (Mr. Hare).

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until 2 p.m. tomorrow.

Motion agreed to and the House adjourned at 10.30 p.m.

HOUSE OF COMMONS

Tuesday, February 27, 1979

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

CULTURAL AFFAIRS

FUNDING OF CANADIAN COUNCIL OF CHRISTIANS AND JEWS—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise on a matter of urgent necessity pertaining to public funds given by the Department of Secretary of State as revealed in answers to my recent order paper questions concerning the Canadian Council of Christians and Jews, and particularly the grant of over three-quarters of a million dollars in recent months and the fact that there has been a rash of resignations of prominent Canadians from this organization, including the hon. Paul Hellyer, Jerry Yanover, legislative assistant to the Deputy Prime Minister, newscaster Max Keeping, CBC official Ludovic Hudon, and the reported impending resignations of other prominent Canadians, including the member for Northumberland-Durham (Mr. Lawrence).

I move, seconded by the hon. member for Oxford (Mr. Halliday):

That this House requests the Auditor General of Canada to immediately institute a full audit of public funds given to this organization, with the full force of the law being used to determine the disposition of such funds, including a reported 4.5 per cent interest, $57,000 mortgage and a $9,000 interest-free loan to Peter Jones, president of the organization, the removal from the board of directors of such respected—

Mr. Speaker: Order, please. It seems to me the hon. member is going on to support his motion. The motion the hon. member wishes to put, can be put, pursuant to Standing Order 43, only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

HEALTH

DONATIONS BY TORONTO CITIZENS FOR TREATMENT OF HERBIE QUINONES—MOTION UNDER S.O. 43

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I would like to move a motion, under the provisions of Standing Order 43, regarding an urgent matter.

In view of the successful operation in Toronto yesterday on the little boy, Herbie Quinones, who was unable to obtain medical services in his own country due to his parents lack of financial resources, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House recognize and applaud the citizens of Toronto for their generosity and, furthermore, that this House urge the United States to adopt our medicare system so that there will be no more little Herbie cases in the United States.

Mr. Speaker: Order, please. This motion seems to be a little beyond our administrative jurisdiction.

* * *

ADMINISTRATION OF JUSTICE

REPARATION FOR PETER TREU—MOTION UNDER S.O. 43

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a motion of urgent and pressing necessity under the provisions of Standing Order 43.

In light of the reasons for judgment of the Quebec Court of Appeal in the case of Peter Treu, in light of the fact that the prosecution could only be launched under the Official Secrets Act by special order of the Attorney General of Canada and the granting of this order shows either gross carelessness or negligence in permitting the charge to be laid, in light of the fact that the charge was deliberately laid as an indictable offence, rather than a summary conviction, so the government could seek a heavier penalty, in light of the fact that the government has agreed to assist a former minister of the Crown with his legal costs in an action against him by a civil servant, and having in mind that Dr. Treu's ultimate acquittal followed after five years of harassment, I move:

That this House urges the government to give sympathetic consideration to the case of Dr. Treu to receive some reparation.

Some hon. Members: Hear, hear!

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

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

PENITENTIARIES

FUTURE OF PRISON FOR WOMEN, KINGSTON, ONT.—MOTION UNDER S.O. 43

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the conflicting forecasts that have been made by the Department of the Solicitor General regarding the future of the prison for women in Kingston, and in view of the build-up of tension and unease that such uncertainty is bound to create in any penal institution among members of the staff, as well as among those who are incarcerated, I move, seconded by the hon. member for Oxford (Mr. Halliday):

That this House instruct the Solicitor General to make a statement on motions at the first possible opportunity clarifying the position of the government in relation to the prison for women at Kingston.

Mr. Speaker: Such a motion can be presented for debate at this time only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

[*Translation*]

UNEMPLOYMENT INSURANCE

REQUEST THAT COMMISSION EXPEDITE DECISIONS—MOTION UNDER S.O. 43

Mr. Gilles Caouette (Témiscamingue): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to introduce a motion dealing with an urgent question of pressing necessity.

Given the statutory 30-day limit for any unemployment insurance beneficiary to file an appeal, and considering that those limits are not respected by the Unemployment Insurance Commission, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That the House enjoin the Minister of Employment and Immigration to compel the commission to expedite its decisions, finalize any application or settle any dispute in a period of time equal to that granted to beneficiaries.

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

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Speaker.]

[*English*]

HUMAN RIGHTS

ALLEGED MUZZLING OF HUMAN RIGHTS COMMISSION BY MINISTER OF JUSTICE—MOTION UNDER S.O. 43

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to Standing Order 43.

In view of the action taken yesterday by the Minister of Justice (Mr. Lalonde) and the Minister of Employment and Immigration (Mr. Cullen) in commencing legal proceedings against the federal Human Rights Commission seeking to prevent their investigation into the violation of the human rights of Elizabeth Lodge, Carmen Hyde, Elizabeth Cox, Elaine Peart, Rubena Whyte, Gloria Lawrence and Lola Anderson, I would move, seconded by the hon. member for Winnipeg North (Mr. Orlikow):

That this House instruct the Minister of Justice to abandon his attempt to muzzle the Canadian Human Rights Commission so that an appropriate investigation may continue.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NATIONAL REVENUE

EXPLANATION BY MINISTER FOR INSECURITY OF TAX FILES DEPOSITED WITH STATISTICS CANADA—MOTION UNDER S.O. 43

Mr. Gordon Towers (Red Deer): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of grave importance.

In view of the revelation of the hon. member for Central Nova (Mr. MacKay) that income tax returns placed in the custody of Statistics Canada by the National Revenue minister were not given adequate security, an abuse of trust of the general public that such information is treated as strictly confidential, and in view of the fact that the revenue minister must have a record of those whose files were released to Statistics Canada, a majority of whom appear to be farmers who, understandably, suspect they are being subjected to unwarranted attention, I move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

That the Minister of National Revenue personally communicate in writing to all persons who have been so betrayed, and give an explanation as to the purpose for which Statistics Canada requested their income tax files and the circumstances under which these forms were left unattended.

Mr. Speaker: Such a motion can be introduced for debate at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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PUBLIC WORKS

RESEARCH OFFICES OF CONSERVATIVE PARTY AND NDP—MOTION UNDER S.O. 43

Mr. Art Lee (Vancouver East): Mr. Speaker, I have a motion of urgent and pressing necessity under Standing Order 43.

In view of the government's commitment to federal spending restraint and the desire for a higher degree of cost effectiveness in federal government projects, I move, seconded by the hon. member for St. Catharines (Mr. Parent):

That this House requests the Department of Public Works to undertake a periodic review of the efficacy of the $10,000 wall of secrecy built of lead which has been installed between the research offices of the NDP and Conservative parties, which was requested by those two parties to avoid mutual contamination.

Mr. Speaker: Order, please.

ORAL QUESTION PERIOD

[*English*]

HUMAN RIGHTS

JURISDICTION OF HUMAN RIGHTS COMMISSION OVER DEPARTMENT OF EMPLOYMENT AND IMMIGRATION

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, my question is to the Minister of Employment and Immigration.

The minister will know that the Canadian Human Rights Act was passed by this parliament and that it applies explicitly to all government departments and agencies. He will also know that he, or his officials on his instructions are now asking the Federal Court of Canada to declare that the Human Rights Commission has no jurisdiction over his department and over the dealings of his department with the millions of people who come to this country each year.

Will the minister tell the House on what grounds he can justify his position that the Human Rights Act applies to everybody else but not to his department?

Hon. Bud Cullen (Minister of Employment and Immigration): Mr. Speaker, we asked for the declaratory order because we did not, in fact, think that this legislation applies. The fact is we would have a series of appeals that are provided for under the immigration legislation. Having gone through all those appeal procedures, we would have another follow-up at the taxpayers' expense, a whole new procedure instituted by the human rights legislation.

Mr. Fairweather himself has some doubt. He is quoted as saying that if the department wins the case, he will ask parliament for legislation clearly saying the department is subject to his anti-discrimination powers. Therefore, we have asked for the declaratory order. Mr. Fairweather himself has some doubt on the basis of the quotes attributed to him.

● (1415)

Mr. Clark: It is bad enough for the minister to try to cut the powers of the Human Rights Commission; it is worse for him to try to misrepresent the position taken by the commissioner. If he has the courage of his position, he will table the whole of the letter from the chairman of the Human Rights Commission and not quote selective extracts from it.

The question I am putting to the minister, who knows full well it was the clear intention of parliament to give the Human Rights Commission the power to stop his department as well as any other agency which abused human rights in this country—

Some hon. Members: Question.

Mr. Clark: I ask him again, why is he seeking to have his department exempted from the human rights provisions which apply to all other agencies and activities in this country?

Mr. Cullen: First of all, Mr. Speaker, I was not quoting from a letter; I was quoting from a press report.

Some hon. Members: Oh!

Mr. Cullen: Well, the opposition very often gives the impression that what is said in the press is correct. I am saying I was quoting from a report, a Canadian Press article by Juliet O'Neil who has gained a splendid reputation here, that the Human Rights Commissioner had said that should the department win the case, he would ask parliament for legislation clearly stating that the department is subject to his anti-discrimination powers. I simply indicated that Mr. Fairweather is prepared to concede that there might be some doubt. I was not criticizing him for it; I was simply quoting what was said.

Mr. Clark: The minister refuses to deal with the question why he thinks his department has special status. Let me ask him a further question. Since he knows the Commissioner for Human Rights has said he intends to pursue his investigation into the situation involving this group of Jamaican women while the Federal Court is arriving at a determination of the question before it, would the minister tell us whether he will assure parliament that there will be full co-operation on the part of his officials with the Commissioner of Human Rights in his declared intention to pursue that examination; or will he and his officials continue to obstruct the work of the commission?

Mr. Cullen: Mr. Speaker, I do not blame the Human Rights Commissioner for taking this particular course—if you can't get them on first, get them on second. We are asking the court

for a declaratory order as to whether we are bound by this particular piece of legislation.

Notwithstanding that application to the court, if Mr. Fairweather proceeds—and it is hypothetical, I suppose—we shall have to take whatever action we deem to be appropriate at that time. We shall not back away from a declaratory order until we hear the judgment of the court.

Mr. Clark: A supplementary question to the Minister of Justice who should be conscious, since the Human Rights Commission lies within his jurisdiction, that what is at stake here is a fundamental guarantee of human rights in this country.

What action does the Minister of Justice intend to take to ensure that the exercise of its proper responsibilities by the Human Rights Commission will not be frustrated by the action of his colleague, the Minister of Employment and Immigration?

Hon. Marc Lalonde (Minister of Justice): What is at stake here is the interpretation of two laws passed by this parliament, the interpretation of which appears to be in some doubt. What has taken place is an appearance before the court to ask that the matter be clarified. That is where the matter stands at present. I am sure the Human Rights Commission will do what it considers best within its jurisdiction.

Mr. David MacDonald (Egmont): Mr. Speaker, my supplementary question is to the Minister of Employment and Immigration. May I preface it by saying it is unfortunate he did not read the whole of the press release referred to, because in the last part the Human Rights Commissioner is reported as saying he was certain that the powers of the commission were intended to cover immigration as well as other fields. In addition, a year ago the Human Rights Commission indicated that it had jurisdiction in this very area.

● (1420)

I ask the Minister of Employment and Immigration why it is that since this was the very first case to come before the Human Rights Commission—almost a year ago to the day, on March 1, 1978—and that on March 9 the Human Rights Commission indicated publicly that it would investigate this case, for over a year the department frustrated the honest attempts of the Human Rights Commission to investigate these complaints and now, when it has lost on every count, the department is appealing, thus frustrating attempts to have justice not only done but seen to be done. I am sure this must concern the minister, even if only a little.

Mr. Cullen: Mr. Speaker, I am surprised that the hon. member should misinterpret what took place in this case. These particular individuals were subject to a deportation order. Notwithstanding that, they wanted to go to the courts for an interpretation. They took an appeal to the Federal Court. They lost that particular case. Notwithstanding that, they wanted to take the matter to the Federal Court of Appeal. They in fact took that action. We held off taking any action with regard to issuing the deportation order until they had exhausted all their rights.

In addition to that, I met with both the National Action Committee on the Status of Women, which made some representations in this case, and with the individual women concerned, in the presence of their counsel and, I might say, in the presence of their children. I have undertaken to have another look at these particular cases and I am going to do so in a very sympathetic way. But I have to deal with the court proceedings which were initiated in the first instance, not by us but by the individuals represented, properly enough, by the Human Rights Commission. I think we have been very fair in this procedure.

Mr. MacDonald (Egmont): Mr. Speaker, I will direct a supplementary question to the Minister of Justice who, I am sure, must be concerned about these matters. He has indicated that there is now apparently some doubt as to whether the Human Rights Commission has jurisdiction. Could he indicate where, in the act or in the regulations which were promulgated after the act, this doubt is created or what possible arguments he can make as Minister of Justice which would exclude the responsibilities of the Human Rights Commission for investigating one of the major departments which deals with millions of people, Canadians, immigrants and visitors who come into this country?

Can he indicate what possible shred of legal support there is for taking these simply unacceptable actions respecting the exclusion of human rights jurisdiction from a major government agency?

Mr. Lalonde: Mr. Speaker, the hon. member is asking me for a legal opinion. He knows that is against the rules of this House. The matter is going before the court for an interpretation and the court will advise which interpretation is the right one in the circumstances.

* * *

THE CANADIAN ECONOMY

INCREASE IN DIVIDEND PAYMENTS TO FOREIGN COMPANIES—EFFECT ON GNP

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the President of the Board of Economic Development Ministers.

Statistics Canada figures released just a few hours ago show that gross national product increases in 1978 were at an alarmingly low level of only 3.4 per cent, well below what the Minister of Finance forecast. Statistics Canada points out that this has been largely due to the significant increase in the outflow of dividend payments to countries outside Canada, that profits were up by 24 per cent and that dividend payments going out increased to $2.2 billion. Statistics Canada states that price increases have been unusually large.

Would the minister not agree that in ordinary language this means that foreign-owned firms are overcharging Canadians

and taking excessive profits out of this country and into others?

Hon. Robert K. Andras (President of the Board of Economic Development Ministers): Mr. Speaker, we will have a debate this afternoon on the whole subject of inflation. I have not seen the evidence of excessive profits to which the hon. member is referring, whether they be excessive profits in the hands of Canadian-owned corporations or foreign corporations.

I had some difficulty with the arithmetic at the beginning of the hon. member's question. He was talking about a 3.4 per cent growth in the gross national product and he said that that was attributable to the passage of dividends from Canada to foreign countries. I am really at a bit of a loss to understand what his reference was, but on the general subject I do not think the premise on which the hon. member based his question is actually accurate.

Mr. Broadbent: Mr. Speaker, I hope before the debate takes place at three o'clock the minister will have a chance to look at these truly alarming figures. They were released publicly just a few hours ago and they point out that profits were up about 24 per cent, year over year, for 1978. They point out that there was a $2.2 billion flow of dividend payments outside the country. These are facts and they are connected.

Almost 60 per cent of Canadian manufacturing is owned by companies with head offices outside Canada. I would like to ask the minister, given the serious economic consequences of this situation and the Prime Minister's own promise to do something about it back in 1974, when will the government be prepared to implement that promise as it pertains to resource ownership in this country?

● (1425)

Mr. Andras: Mr. Speaker, I know the hon. member has said on other occasions that his party would espouse a policy of controlling the flow of capital outside this country. This is one of his answers to the passage of dividends, or anything else I supppose, outside Canada. In my view, that would be the most destructive policy possible for a country that depends for 25 per cent of its gross national product on export and on trading, because it would totally isolate this country from trade back and forth between nations. I think it would be an outrageous and disastrous policy to espouse.

There are many developmental programs in trade now working in consultation with the private sector to increase our GNP, to increase our export competitiveness, and indeed this involves talking to multinational corporations to see that they honour the principles of corporate responsibility within this country, and I am encouraged by the response we are getting.

Mr. Broadbent: One way of turning the problem around is to get a much higher degree of Canadian ownership of Canadian industry. That would be pretty self-evident, even to the minister.

Considering that, at least in the context of an election campaign, the Prime Minister recognized this in July in the minister's part of northern Ontario—in Sault Ste. Marie, to be precise—when he said that all future resource development projects in this country would be at least 50 per cent Canadian owned, and since then that promise has been systematically ignored, can the minister tell us if the government intends, before the next election, to start implementing the last election's promises?

Mr. Andras: Mr. Speaker, the hon. member always goes too far. He said it has been systematically ignored, as though nothing has been done. I would put before him the increasing success of Petro-Canada in that whole field.

Some hon. Members: Hear, hear!

Mr. Andras: Once again, it is a matter of the method of implementation of policies toward these objectives, rather than the absolute question of whether the objectives are shared by us or others. We certainly want to see an increase of Canadian ownership. It is a question of whether we do it in a reasonable, sensible way by incentive rather than with a stick.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

DELAY IN STUDYING LAY-OFFS AT BRAZEAU TRANSPORT COMPANY, ROUYN—GOVERNMENT POSITION

Mr. Gilles Caouette (Témiscamingue): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. About a dozen employees who were laid off last October by Brazeau Transport in Rouyn have had to wait two months for a decision by the Unemployment Insurance Commission finally to entertain an application concerning this problem, although such lay-offs may be considered as a collective conflict. These 12 employees submitted an application early in January and today, as February is about to come to an end, they are still waiting to find out whether the appeal will be accepted to go to the board of referees. Could the minister indicate whether this is normal procedure and, if not, what he intends to to do to solve this four-month old problem?

Hon. Bud Cullen (Minister of Employment and Immigration): Mr. Speaker, I am grateful to the hon. member for his representations. This is certainly not normal procedures, and I shall have to look into these special circumstances before I can reply to the hon. member.

Mr. Caouette (Témiscamingue): Mr. Speaker, as this is normal procedure in our area and, for the benefit of the minister, as it is not the fault of local civil servants but because decisions are made in Montreal from where they are transmitted to the office in Rouyn or Val d'Or, I should like to ask the minister whether he would be willing to decentralize that

system of operation which delays decisions, seeing those twelve persons have just been advised that their files will be ready at the end of March or even perhaps in April. Would the minister be willing to decentralize those decision-taking powers and transfer them to the areas where the problems exist?

Mr. Cullen: Mr. Speaker, we have already done so in all provinces; now, a civil servant, man or woman, is responsible for each province. We have also made each area responsible for itself. However, at the present time it is not possible to decentralize every riding or city in Quebec or in Canada. But I shall have to look into the situation. If there is a problem, we will find a solution to it.

Mr. Caouette (Témiscamingue): Mr. Speaker, the minister says that a few persons analyse such situations in each province: as the case I put to him today occurs in the hundreds in isolated areas, I do not ask him that the system be adopted in each community, but only that the decision-taking powers be given at the regional level. As the problem exists at the provincial level, in this case in Montreal, where decisions are delayed, is the minister willing to redistribute the powers of decision in the vicinity of Montreal, instead of keeping the current system that delays unduly the payment of benefits for over four months? If the minister wants other examples, I can give him hundreds of them which have been pending for two and a half years.

Mr. Cullen: Mr. Speaker, it seems to me the hon. member is repeating his representations: I shall have to look into the matter.

* * *

● (1430)

[*English*]

THE CANADIAN ECONOMY

GROWTH OF GNP BELOW THAT FORECAST BY GOVERNMENT—REASON THEREFOR

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in the absence of the Prime Minister and the Minister of Finance, I should like to direct a question to the President of the Board of Economic Development Ministers, sometimes known as the BED board.

Some hon. Members: Oh, oh!

Mr. Stevens: My question centres on the gross national product figures just released. First, has the minister read these rather alarming figures? Second, in view of the fact the fourth quarter GNP now is seasonally adjusted at an annual rate of only 1.8 per cent, only 3.4 per cent for the entire year last year, would the minister indicate why the Minister of Finance predicted only last November that the real growth would be 4.5 per cent? Why was a commitment given in Bonn that we would achieve 5 per cent real growth in the country, when the record has been so dismal?

Hon. Robert K. Andras (President of the Board of Economic Development Ministers): Mr. Speaker, the Minister of Finance has dealt with this issue on many occasions. Certainly, the 3.4 per cent growth was less than we had hoped for. But I would point out to the hon. member that probably we are the only country among the senior industrial nations which has had a real growth trend in every quarter of every year since the OPEC crisis took place in 1973.

Some hon. Members: Hear, hear!

Mr. Andras: The hon. member can point out the differences between forecasts, realizations and capacity, but also he should put before the Canadian public the true perspective by indicating that this country has had the best real growth performance along with Japan, of any of those nations over the last seven or eight years.

Some hon. Members: Hear, hear!

Mr. Stevens: Mr. Speaker, my supplementary question is directed to the same minister. I refer him to the United States President's economic report to Congress which certainly indicates that the real growth in Canada is much different, compared to that of the United States, from what the minister indicated.

My follow-up question centres on the fact that durable goods and personal expenditure on consumer goods generally, on a real basis, actually declined in the fourth quarter. Could the minister indicate why that occurred notwithstanding the fact the government embarked upon a $1 billion manufacturing sales tax reduction starting with the last budget? Why should sales actually drop off, as opposed to some type of a stimulant result from the expenditure made in that budget?

Mr. Andras: Mr. Speaker, regarding the reduction in the federal sales tax which has been explained many times in the House, the effect does not take place the day after in terms of its impact on consumer spending or, therefore, growth through that aspect of the economy. Existing inventories must be worked through, and those inventories are being worked through now.

My own view is quite optimistic for the year 1979, and I might say that optimism is shared by many hundreds of businessmen to whom I have talked in the last two or three months. They seem to have a much more bullish view and much more faith in Canada's economy than certain members opposite or certain theoretical economists. Certainly, I know where I will place my bets.

Some hon. Members: Hear, hear!

Mr. Stevens: Mr. Speaker, again my question is directed to the same minister. Certainly, I know where the voters of Canada will place their bets in the next election.

Some hon. Members: Hear, hear!

Mr. Stevens: In view of the unsatisfactory real growth figures revealed this morning, and the fact the trade deficit actually widened in the fourth quarter, would the minister tell us what he anticipates for real growth in the current year?

Mr. Andras: Mr. Speaker, that is the prerogative of the Minister of Finance. I think he has set forth some targets. If the hon. member wants to speculate and place bets on the electoral results, I would like to have Jimmy the Greek give odds on the 60 seats the hon. Leader of the Opposition suggested he would get in the province of Quebec.

Some hon. Members: Hear, hear!

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ADMINISTRATION OF JUSTICE

COMPENSATION FOR PETER TREU—MINISTER'S POSITION

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I should like to direct a question to the Minister of Justice, having in mind the facts set out in the reasons for judgment given by the Quebec Court of Appeal.

In light of the fact the Minister of Supply and Services, quite honestly and openly, said in the House that he had some doubts as to the security procedure which must have been used in the case of Dr. Treu, that in this particular case prosecutions could be launched only under the direct order of the Attorney General, and that the prosecution launched was directed toward an indictable offence, is the minister prepared to review the facts in this case and give consideration to the provision of some form of compensation for Dr. Alexander Peter Treu?

Hon. Marc Lalonde (Minister of Justice): Mr. Speaker, I have reviewed all the facts in this case very carefully. Also, I read the judgment of the Court of Appeal very carefully. I would remind the hon. member that the principle of making ex gratia payments to persons accused of criminal offences who are acquitted, whether at the trial level or on appeal, is not a principle which is part of criminal justice in Canada.

Mr. Clark: Ask Jean-Pierre Goyer.

Mr. Lalonde: The matter of compensation in general is one which the Law Reform Commission is studying at the present time and upon which it will report. Also, I must remind the hon. member that the provinces will have to be involved very closely with this, because they would be the ones to bear most of the burden of such a situation if such a decision was reached, that compensation should be established as a practice. Thus, that is the general principle.

As far as this particular case is concerned, as I indicated to the hon. member, I have reviewed this case very carefully. I have come to the conclusion, without any doubt, that the charge made against Dr. Treu was not a frivolous one. He was charged with a very serious offence. There was a preliminary inquiry in which a prima facie case was found which allowed the case to be taken to trial. There was a trial before a judge at which Dr. Treu was convicted of the offence, and then it went to appeal where he was acquitted. As far as I am concerned, that man has been acquitted by the courts at the appeal level and he should be recognized as innocent; but I do not think in those circumstances there is any basis for compensation.

Mr. Baldwin: Mr. Speaker, this charge followed only after a 1½-year investigation which proved to be fruitless and cost the government several hundred thousand dollars. Last summer, when this case was at its height, there was an attempt by suggestion and innuendo to prevent members of the press and even myself from pursuing it. There were elements of the government at different levels which hinted that there was much more involved in this case and, "If Baldwin only knew, he would shut up."

Forgetting the question of justice, and on the question of equity from a government which once professed to believe in a just society, does the government not feel this man merits some recognition?

Some hon. Members: Hear, hear!

Mr. Lalonde: Mr. Speaker, I should like to remind the hon. member that according to press reports, one of the reasons—I do not know what the hon. member is referring to when he refers to innuendo—

An hon. Member: Trudeau.

● (1440)

Mr. Lalonde: —I read was that counsel for Mr. Treu is considering a civil lawsuit alleging, among other things, that an officer of the RCMP would have provided a Conservative member of parliament with information that would have brought before the public this issue that they wanted to keep out of the glare of publicity. I do not think the hon. member is well founded in his argument.

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ENERGY

GOVERNMENT PLANS TO MAINTAIN SECURITY OF SUPPLY

Mr. Paul E. McRae (Fort William): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources.

Given the report yesterday from Associated Press that Iranian oil field workers are controlling the oilfields and demanding that the product be sent where they want, what plans has the government to replace our share of the 20 per cent of the world's oil supply that could be lost to the west and, specifically, what plans have we to replace oil by natural gas in the Atlantic provinces?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, I have answered questions in the House indicating that western crude is now replacing a good deal of the

shortfall in Iranian fuel, and other reallocations of oil in the Atlantic provinces. I believe that particular option available to us has been an important option. I also believe that western Canada natural gas can play an increasingly important part in displacing foreign crude oil, particularly in the markets of Quebec and, to some extent, Ontario and even farther afield into the maritimes. I very much hope it will be possible to advance measures which will bring natural gas into these markets.

An hon. Member: When?

Mr. Gillespie: I believe the potential there may be up to 100,000 barrels a day of oil by displacement from natural gas in Canada's future.

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EXTERNAL AFFAIRS

CANADA'S ROLE IN UN NEGOTIATIONS ON CHINA-VIETNAM CONFLICT

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my question is directed to the Secretary of State for External Affairs and concerns Canada's role in the negotiations going on today at the United Nations to end the China-Vietnam conflict.

Is it the view of the government that a compromise resolution is possible and acceptable to the three veto powers and, if so, is Canada co-ordinating this approach to the negotiations with other countries, particularly our NATO allies?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, the question is to some extent hypothetical because, I suppose, the answer would depend in large measure upon the particular wording of the resolution. I can only tell the hon. member that the resolution presented before the Security Council is apparently not acceptable to at least the Soviet Union, which has already indicated that it intends to vote against it or to veto it, whichever is the most appropriate method.

As to co-ordination, we have been in consultation with various other parties. We are not now a member of the Security Council, but we have been in discussion with other parties at the UN. I think our position was made very clear in a quite excellent statement by Ambassador Barton which no doubt the hon. member has seen.

Mr. Roche: Mr. Speaker, the U.S.S.R. keeps warning or suggesting that Peking should withdraw "before it is too late". Given the Soviet military activity in the Southeast theatre today, has the Government of Canada expressed its concern to Moscow or suggested that Soviet rhetoric and activity ought to be reduced in order to give the rest of the world an opportunity to find a proper and acceptable solution to this conflict?

Mr. Jamieson: Mr. Speaker, I indicated six or seven days ago that we had, in fact, made representations not by way of note but by way of personal intervention, on my instruction, to our ambassadors to Moscow and Peking and also indirectly to the Cambodians and Vietnamese that we feel that the four parties—certainly three of them, anyway—the Russians, the Chinese and the Vietnamese, ought to withdraw from their various incursions and, in the case of the Soviet Union, which has not made incursions, that it ought to be temperate in its remarks.

We indicated that, indeed, the only solution possible in our view—a view I am sure is shared by all members—is in the form of talks and negotiations taking place, and that it would be advisable that all parties withdraw their forces from those various places in an effort to get these kind of talks under way.

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PUBLIC SERVICE

LAY-OFFS UNDER RESTRAINT PROGRAM—ALLEGED DISCRIMINATION AGAINST WOMEN

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question for the President of the Treasury Board is based on government statistics that came out just today, showing another form of gross discrimination against women in the public service.

In view of the fact that, for example, in the professional and scientific category 23 per cent of the employees are women, the other 77 per cent being men, but with recent lay-offs under the restraint program 56 per cent of the lay-offs have been women with the other 44 per cent being men, what steps does the President of the Treasury Board propose to take, in view of the declared policy that the government is in favour of women's rights, in order to reverse this trend and to make sure at least that it does not continue to happen?

Hon. Judd Buchanan (President of the Treasury Board): Mr. Speaker, the hon. member is correct in pointing this out. It is a fact that occurs. It is the positions which are declared surplus, not the individuals, and I think really we should be turning that on its head and focusing on the situation to see if we have been making any headway in these particular categories over the last few years.

I was particularly encouraged to note that when you break them down into the senior, intermediate and junior levels for the scientific catefory, the administrative and foreign service, we have been making significant headway, particularly—and I think this is encouraging—at the junior levels. These younger women are coming into the public service and they will be gradually moving up into the more senior positions. I could quote figures here, Mr. Speaker, but in fact we are, and I can demonstrate quite clearly to the hon. member, making significant progress in this area.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I am glad the minister has the same table I have in my possession. May I point out to him that in every one of the seven categories on this table, the percentage of lay-offs of women is

greater than that of their percentage of the work force. That being the case, surely there is a need for some correction.

Let me put my question to the minister this way. In view of the fact that his colleague, the Minister of Employment and Immigration, has a task force out trying to sell private industry on the idea of an affirmative action program for employment of women, will he not borrow some of the members of that task force and put them to work in the public service itself?

Mr. Buchanan: Mr. Speaker, we have been making significant headway in this area. In the four years from 1974 to 1978, some 21,443 women entered the public service, as opposed to 16,800 men. There was an improvement, certainly, and as I indicated in reply to the hon. member a few days ago, we would like to see more rapid progress. We have moved up from a little over 31 per cent to about 35 per cent women in the public service. I think we are moving by trend and direction in the right way. We intend to continue in that direction.

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is also for the President of the Treasury Board. I should like to point out to him that what we are speaking about is not what has taken place in the last four years, but present moves under the lay-off program which will reverse that whole trend. That is what women are concerned about.

I would like to ask the minister why, indeed, the government is now abandoning its supposed commitment to proportional representation in the public service, because that is what these figures indicate. If it is not abandoning that principle, will the minister produce the figures relating to the lay-offs which are now taking place? Will he table those figures which will show how many men and how many women are being laid off by the federal government in each of the categories, so we will know exactly whether the discrimination that the figures now before us show is indeed true?

Mr. Buchanan: Mr. Speaker, I am not quite certain what my two colleagues opposite are advocating. I have told them we have been making significant headway in hiring more women in the public service over the last four years. I have given the figures. Naturally, if we have hired more, unfortunately there are more of them at the junior level.

Are the hon. members advocating that we lay off the more senior public servants and keep the latest hirees on staff? If that is their idea, it is a most peculiar personnel policy to recommend for the Public Service of Canada.

Miss MacDonald: Mr. Speaker, the figures show that in the professional and scientific category more women are being laid off than men in the current round of cutbacks. That is what we are protesting, Mr. Speaker. I want the minister to produce his figures which show, individual by individual, where cutbacks have taken place, so that the discrimination of the government in relation to all its policies about women are put on the table once and for all.

● (1450)

Mr. Buchanan: Mr. Speaker, I would reiterate for the hon. member that we have been making significant headway, particularly at junior levels, in bringing women into the scientific and professional categories and the administrative foreign service, but we are not doing so well in the technical area although progress is being made. These are the people who are the latest hirees and, naturally, if there is some restriction in the public service it is normal policy that the people most recently hired are the first laid off.

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HUMAN RIGHTS

APPLICATION OF CANADIAN HUMAN RIGHTS ACT

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I want to put a question to the Minister of Justice relating to questions that were asked a few moments ago about the Canadian Human Rights Commission and the opinion expressed by the commissioner.

Could the minister tell the House whether it is now the policy of the government to distinguish between the statutes and agencies to which the Canadian Human Rights Act applies? I have in mind Bill C-22, wherein clause 7.1 reads:

Nothing in this act shall be construed as limiting the application of the Canadian Human Rights Act.

The government has laid that out. The Canadian Human Rights Act, section 63.1, reads as follows:

This act is binding on Her Majesty in right of Canada—

It would seem that these sections are precisely the same, in effect, in law.

Is it now the position of the government that it will choose when the Canadian Human Rights Act will not apply; that it will apply when it is convenient but it will not apply when it is inconvenient to the government?

Hon. Marc Lalonde (Minister of Justice): Of course not, Mr. Speaker. The role of the government is to try to apply the law, but when there is a genuine doubt or apparent conflict between statutes the normal course is to ask for an interpretation by the courts. If the courts find that there is no contradiction, there would be no problem, but if there is a problem then the task would be to clarify the law; to come in the normal way before parliament to get the law clarified.

I think the best interpreters of the law are still the courts of this land. I am surprised that the hon. member would raise objections to going before the courts to get clarification of the law as soon as possible so that the intention of parliament can be made quite clear. If it needs to be clarified any further, then we can come back with further amendments to the law.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I think the Minister of Justice is suffering from a conflict of interest between his position as Minister of Justice, on the one hand,

and Attorney General of Canada on the other, which puts him above merely standing up for his colleague in the ministry.

I put this question to him now as Attorney General of Canada. Given the fact that the Canadian Human Rights Act says, "This act is binding on Her Majesty", and given the fact that the Canadian Human Rights Act also says that the purpose of the act is to extend the present laws of Canada to the purview of matters coming within the legislative authority of the Parliament of Canada—which certainly covers immigration—will the minister ask the House for consent to table those documents which he says the rules of the House make it impossible or improper for him to table? I can give an undertaking that we on this side of the House are prepared to give our consent.

Will the minister take advantage of this, in his capacity as Attorney General, and table the documents so that not only will the courts be apprised some day with respect to its position but this parliament, which passed a law believing it was of universal application, will have a chance to look at it as well? Will he do that?

Mr. Lalonde: Mr. Speaker, I heard the hon. member's argument. The rules of this House strictly forbid my giving legal opinions before this House.

Mr. Baker (Grenville-Carleton): I asked for your consent.

Mr. Lalonde: If I am advised there is a genuine argument or disagreement as to the interpretation of the law in this respect, the law should be clarified by the courts. That is the normal process to follow.

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IMMIGRATION

USE BY IMMIGRANTS OF IMMIGRATION CONSULTANTS—ETHICS OF CONSULTANTS

Mr. Jake Epp (Provencher): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. I should like to point out to him that he would not be in the same difficulty if he had accepted the amendments to provide for representation of these people before the commission.

Has the minister received evidence within the last few days from the ethnic communities of Canada about cases where members of those communities, having established themselves as immigration consultants, have used their position and their association with ethnic communities to rip them off? Their credentials as immigration consultants are, at best, illusory and they have given out very wrong information that has hurt people who thought they had a case before the Immigration Appeal Board but in fact did not. Large sums of money have been given to these immigration consultants by people who are very vulnerable.

Hon. Bud Cullen (Minister of Employment and Immigration): Mr. Speaker, it has not come to my personal attention that the ethnic communities have made that representation. It should also be pointed out that there are many bona fide, excellent consultants in the immigration field who can get that information if they wish from departmental officials. Some people prefer to go to immigration consultants. Many of them have been in business for many years. They are not lawyers, but they are very competent. I think that using the broad brush of criticism for all of them does a disservice to many immigration consultants who do a first-class job on behalf of immigrants.

I am concerned about those who are "ripping off" and I should like to see what we can do about that. I do not want to do it to the detriment of the many people who are not lawyers but who are providing an excellent service to immigrants on the immigration laws.

Mr. Epp: A supplementary question. I do not believe I said that I was painting all immigration consultants with that brush. However, the minister knows, and I know, that there are people posing in that way who are doing exactly what I pointed out.

I am asking the minister if he has examined the representations of immigration lawyers and the question whether immigration consultants should either be licensed or certified. It could be made known to persons who need this type of service that in fact these people have certain qualifications related to the advertising they are doing.

Mr. Cullen: Mr. Speaker, I have received representations from lawyers who provide legal advice on the act and who represent immigrants before the various tribunals that are available to refugees or immigrants. There may be some conflict in licensing, because lawyers, for example, are licensed within a province. It would be difficult to make the determination within provincial jurisdiction that someone is or is not entitled to practice law and, if they are entitled to practice law, that they can perform these other services.

In so far as consultants are concerned, not being lawyers I am not sure whether we would have that jurisdiction alone at the federal level, or whether we might have to work in concert with the provinces to try to weed out the bad and maintain the good. I am concerned with the problem, and it is a matter of finding the administrative mechanism to deal with it.

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HUMAN RIGHTS

DIRECTIVE DEALING WITH SECURITY CLEARANCE—ALLEGED DENIAL OF BASIC RIGHTS

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, may I put a question to the Solicitor General which is along the lines of human rights in the country? I should like to point out to the minister that it is not only the ministry of immigration and the ministry of justice that claim immunity from the Human Rights Act, but his own department as well.

I should like to ask whether the minister is aware of a directive dealing with security clearance, called 11-3, which

denies basic human rights not only to immigrants and women but to one out of three Canadians not born in this country.

One paragraph in the directive refers to "close relatives living within the borders of such foreign nations as may cause him to be subject to pressures." Canadians who have such relatives in other countries would not be able to get a security clearance in this country either in the public service or in other sensitive positions in private industry.

Is the minister aware of this directive, and is he prepared to examine it and withdraw this most offensive document that exists within his department?

Hon. J.-J. Blais (Solicitor General): Mr. Speaker, I am aware of the general principle that is reflected in the directive. I have already asked for a review of the directive and also a review of the document to which the hon. member refers.

● (1500)

Mr. Oberle: Mr. Speaker, I ask the minister, through you, whether he is prepared to make a statement in the House with regard to this very serious matter, as it clearly establishes one-third of Canadians as second-class citizens, not being able to advance into a confidential position in the civil service; and, of course, every immigrant in this country falls into that category.

Mr. Blais: Mr. Speaker, I am ready to take the representations of the hon. gentlemen very seriously indeed. As he well knows, the document to which he refers finds its origin back in 1965, or thereabouts.

* * *

PRIVILEGE

MR. WOOLLIAMS—STATEMENT OF MINISTER OF JUSTICE CONCERNING PETER TREU CASE

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I rise on a question of privilege. The Minister of Justice (Mr. Lalonde) in answering the distinguished member for Peace River (Mr. Baldwin) in reference to the Treu case, used the term as an excuse for non-payment of compensation that a prima facie case had been made out in the preliminary hearing. The Minister of Justice has said on another occasion today that he does not quote the law. I would like to give the Minister of Justice a chance to correct this statement because the Saskatchewan Court of Appeal said this in dealing with what is necessary in a preliminary hearing:

> For committal for trial the Crown merely has to show that the accused is probably guilty and there is sufficient evidence . . . in favour of the Crown.

It is a matter of sufficiency. That has been upheld by the Supreme Court of Canada in the following words:

> The "justice", in accordance with this principle, is, in my opinion, required to commit an accused person for trial in any case in which there is admissible evidence which could, if it were believed, result in a conviction.

My point is that in a preliminary hearing a prima facie case does not have to be made out. It is a question of sufficiency of evidence and if believed—if it could be believed by a judge and jury or a judge alone—then that person could be sent up for trial. The Minister of Justice left the impression that there was a prima facie case made out against Mr. Treu. That is an error in law and an error in fact.

Hon. Marc Lalonde (Minister of Justice): Mr. Speaker, you can see why it is not proper to give legal opinions in the House.

An hon. Member: Table a document from a real lawyer.

* * *

POINT OF ORDER

MR. DICK—NOTICE QUESTION OF PRIVILEGE TO BE RAISED

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, having read through a document which was tabled in the House on Wednesday and having it come to my attention with some other information given by a minister in reply to a question, at the first opportunity I will supply you and the minister with a copy of a notice of privilege. This is my first opportunity to indicate that I will bring forward a question of privilege regarding Loto Canada and dealing with the Minister of State (Fitness and Amateur Sport) (Mrs. Campagnolo). I will supply proper notice of that tomorrow.

* * *

PRIVILEGE

MR. ABBOTT—ACCESS TO INCOME TAX FORMS

Hon. A. C. Abbott (Minister of National Revenue): Mr. Speaker, on a question of privilege arising from a motion pursuant to Standing Order 43 today made by the hon. member for Red Deer (Mr. Towers), and also one yesterday made in the same context by the hon. member for Okanagan Boundary (Mr. Whittaker), the inference by both these members has been that tax forms under the guardianship of Revenue Canada have somehow been revealed by a wide variety of people, and we should be informing certain farm groups of their concerns. I just want to reiterate that I take exception to the hon. member's being able to communicate to the public at large that Revenue Canada does not guard its income tax returns with great care.

An hon. Member: That is not true.

Mr. Abbott: At the same time I think it is important, Mr. Speaker, to take note of the fact that on February 23 the *Globe and Mail* reported in connection with the hon. member for Central Nova (Mr. MacKay) that he showed a *Globe and Mail* reporter copies of four 1977 tax returns that he had been given with social insurance numbers, taxable income, income

tax paid and spouses' names in full view. He then went on to say that he was in possession of some—

An hon. Member: Order.

An hon. Member: What is your privilege?

Mr. Speaker: Order, please. The nature of the minister's intervention on procedural grounds is a little uncertain to me. I thought he began taking issue with some statement that was made during the question period. The hon. member for Central Nova (Mr. MacKay) did not participate in the question period today, and I do not know how his activities got into the point that the minister was on originally. I thought he was taking issue with some statement that was made during the question period and I think he has to confine himself to that.

Mr. Abbott: Mr. Speaker, I am still on my point of order—

An hon. Member: It was a question of privilege.

Mr. Abbott: —my question of privilege to confirm that it is not this government or the Minister of National Revenue or the Department of National Revenue that stands in risk of revealing tax forms to the public. It is the hon. member for Central Nova possessed of stolen tax returns—

Mr. Alexander: Stolen?

Mr. Abbott: —and this "private dick" in residence in the Tory party has been revealing these forms to the public—

Mr. Speaker: Order, please. The hon. member for Grenville-Carleton (Mr. Baker).

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, aside from the doubtful validity of the minister's rising on a point of privilege and then in the middle of it saying that it was a point of order dealing with some motion made in the House under the provisions of Standing Order 43—to which somebody on the other side probably said no, or we would have heard about it, and maybe the minister himself said no—first of all I think that is a dubious point of privilege, to say the very least, and he ought to be cut off immediately in that respect.

The second matter that I want to raise, now that my friend has gone into the merits of it, is that no amount of rhetoric or debate or skirting around will absolve the government from the responsibility which the Deputy Prime Minister (Mr. MacEachen) took for the government himself when he was at least straightforward and honest enough to say that it was the government's responsibility to maintain records, and the government had failed in that responsibility. That is the bottom line in all of this, Mr. Speaker, not the minister's nonsense.

Mr. Erik Nielsen (Yukon): Mr. Speaker, I rise on the same point of privilege. We are entering here an entirely new area with respect to questions of privilege as they relate to motions made under Standing Order 43. If you, sir, are going to allow debating points to be smuggled into our proceedings by spurious points of privilege in answer to motions under Standing Order 43, then this whole procedure is going to fall into a gross abuse of the rules of this House.

Mr. Speaker: Order, please. The procedural grounds here are very clear. I have allowed two members on my left to contribute to the discussion. There is no decision to make. I stopped the minister when he wandered into some other area. But the intervention he has made is one that is attempted in this House very often. If it is the sense of the House that I should stop these interventions right at the start, I will be only too happy to do so because they invariably lead us into difficulty. However, I must say that we must all be aware that if I am to stop a particular hon. member before letting him go on for a couple of sentences, I will have to stop everyone. These interventions come from all sides of the House.

Some hon. Members: Hear, hear!

Mr. Speaker: I am quite prepared to do that. In any event, I will reaffirm now that taking issue with a statement up to three o'clock, whether it be during the presentation of applications pursuant to Standing Order 43 or in the placing of questions or in answering them, taking issue with anything done up to that time by way of a question of privilege is a misuse of the question of privilege procedure. If it is the sense of the House that I cut that practice off much more sharply than I have, I will be only too happy to do so.

* * *

● (1510)

POINTS OF ORDER

MR. ALEXANDER—RIGHT TO RAISE QUESTION OF PRIVILEGE RESERVED ON BEHALF OF HON. MEMBER FOR CENTRAL NOVA

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, having heard the minister responsible for Revenue Canada either imply or state that the hon. member for Central Nova (Mr. MacKay) and/or "private dick" stole documents, I just want to advise Your Honour that I am reserving the right of the hon. member for Central Nova to have an opportunity to look at the blues in order to pursue a question of privilege.

Mr. Speaker: The record will have to be examined. My memory is that the minister in his intervention said that the hon. member for Central Nova was possessed of stolen documents. That was the language used; at least, that is my recollection. Like the hon. member for Hamilton West (Mr. Alexander), I will examine the record, as I am sure the minister will, to see whether he made an accusation of a member having committed an offence. If he did, that will have to be withdrawn. We will have to examine the record. The minister, of course, is on notice to that effect.

MR. TOWERS—RIGHT TO RAISE QUESTION OF PRIVILEGE RESERVED

Mr. Gordon Towers (Red Deer): Mr. Speaker, I wish to reserve the right to raise a question of privilege tomorrow after having looked at the blues, as the Minister of National Revenue (Mr. Abbott) used my name in his statement today.

ROUTINE PROCEEDINGS

[*Translation*]

LOTO CANADA

TABLING OF LETTER DATED OCTOBER 12, 1978 RECEIVED BY DEPARTMENT

Hon. Pierre De Bané (Minister of Supply and Services): Mr. Speaker, as requested by the official opposition, I would like to table in both official languages, under Standing Order 41(2), the letter dated October 12, 1978, which my department received from Loto Canada.

* * *

[*English*]

JOURNAL OF PUBLIC COMMENT

MEASURE TO ESTABLISH DAILY REGISTER

Mr. Bob Kaplan (York Centre) moved for leave to introduce Bill C-463, to establish the Journal of Public Comment.

Some hon. Members: Explain.

Mr. Kaplan: Mr. Speaker, when members of parliament are misquoted or misinterpreted they have elaborate protections under our parliamentary procedures. No such protection exists for private citizens who may be misrepresented or misquoted in this House. My bill will establish a new journal in which citizens at their own expense can tell in writing their side of the story if they are directly referred to and feel that they have been misrepresented in parliamentary debate.

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

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): Mr. Speaker, questions Nos. 220, 241, 651, 802, 881 and 882 will be answered today.

I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[*Text*]

OLD PORT OF MONTREAL

Question No. 220—**Mr. Jones:**

1. Is there a project underway at present to redevelop the old harbour of Montreal? Who has undertaken this project? How large an area is encompassed by this project?

Order Paper Questions

2. What is the expected cost of this project? What department or departments, either provincial or federal, are responsible for the cost of this project? How much of the cost is the province responsible for and how much is the federal government responsible for? What monies have been spent to date on this project? Give a breakdown of each department's contribution to date.

3. Has there been any public participation in the redevelopment of the old harbour of Montreal and if so, what form has it taken? What civic groups are involved in this project?

4. What goals are to be achieved by redevelopment of the old harbour of Montreal? Have any of these been achieved to date and if so, what are they?

Hon. André Ouellet (Minister of Public Works and Minister of State for Urban Affairs): 1. There is a project under way to redevelop the old port of Montreal. It is an initiative of the federal government and the general plan for the area is being prepared by the Ministry of State for Urban Affairs in conjunction with other federal departments and the other levels of government. The study area is 450 acres (180 ha).

2. At this early stage of planning it is impossible to estimate what the cost will be. The MSUA research and demonstration group are responsible for the planning in co-operation with CMHC, Parks Canada, Public Works, NHB, and the provincial, MUC and city governments. The ultimate responsibility for carrying out specific projects within the over-all development plan will be determined as part of the planning process. The only monies spent to date have involved:

demolition of an unused grain elevator and dismantling the unused autostade by CMHC ($1.15 million), and

the opening of a project office and the beginning of planning by MSUA, $1.35 million.

acquisition of properties on St. Pierre Street to be renovated as housing by CMHC, $0.94 million.

3. There is a public participation program in the planning of the area. It involves an association of interested individuals and groups with public meetings and workshops, as well as questionnaires and the solicitation of briefs and public suggestions. The civic groups who have so far chosen to become actively involved are: Association des locataires de Habitat 67, Association des propriétaires du vieux Montréal, Chambre de commerce du district de Montréal, Comité québécois des sentiers de randonnée, Guilde de la marine marchande, Jeune Chambre de Montréal, Monde à bicyclette, Sauvons Montréal, STOP, Société pour vaincre la pollution, Syndicat des initiatives du vieux Montréal.

4. The planning objectives for the project as outlined by the federal cabinet are:

(a) Conserve and promote the Canadian cultural heritage.

(b) Improve urban living conditions and facilitate public access to the water's edge within the constraints created by the presence of the harbour.

(c) Contribute to the efforts for an economic recovery.

(d) Maintain certain harbour functions that are congruous with the urban and historic environment.

Although the project has only been under way for a few months, a major barrier between old Montreal and the river, namely grain elevator No. 2, has been removed opening a vista on the St. Lawrence. It is anticipated that by next summer,

other actions will have taken place which will improve public access to the water and promote the cultural heritage.

ADVERTISING CAMPAIGN "WELCOME TO THE ENERGY EFFICIENT BUILDINGS"

Question No. 241—**Mr. Epp:**

1. How much is the advertising campaign entitled "Welcome to the Energy Efficient Buildings" costing the government?

2. How widely is the campaign being publicized and for how long?

3. How much will the entire programme of building analysis cost?

4. Are the analysts government employees and, if not (a) who are they and what firms do they represent (b) how much are they being paid (c) on what basis were they hired?

5. How much did the production of the primary picture of the Minister of Public Works in the campaign cost?

6. How much did the hard hat cost which the Minister is wearing in the picture?

Hon. André Ouellet (Minister of Public Works and Minister of State for Urban Affairs): 1. $132,000.

2. The campaign was publicized in the National Capital area for three months.

3. An accurate cost figure cannot be given. The estimated costs are based on doing a preliminary assessment on all buildings in the inventory. The estimates are based on $.55 square metre with a Crown-owned inventory of 5.3 million square metres, or approximately $3 million.

4. (a) The analysis is being carried out by both public servants and private sector consultants (see list of consultants below).

(b) The consultants are paid in a range from $5,000 to $20,000 depending on the size of the building.

(c) The consultants are hired where no Public Works Canada staff are available to do the job. They are hired on the basis of their professional skill, knowledge of the area of operation, availability of staff and proven performance.

5. $20.

6. $2.83.

List of Private Sector Consultants

Wood, Banani and Assoc.
Ottawa
Chorley & Bisset,
London
Acres Consulting Services,
Burlington
Pageau, Morel & Lefebvre,
Ottawa
Brais, Frigon, Hanley & Assoc.,
Ottawa
Smith & Anderson,
Ottawa
Rybka, Smith & Ginsler Ltd.,
Toronto
McKee, Lockhart & Assoc.
Ottawa
Reid Crowthers & Partners Ltd.,
Ottawa
Giffels Assoc. Ltd.,
Toronto
Nicholas Rusz & Assoc.,
Toronto
Mechanical Consultants Western,
Toronto
Clemann Large Patterson & Assoc.,
ECE Group, Toronto
Synergy Systems Ltd.,
Toronto
Moffatt Engineering,
Toronto
Quist & Assoc.,
Hamilton
Associated Eng. Consultants Ltd.,
Edmonton
Smith & Anderson,
Ottawa
M. M. Dillon Ltd.
London
J. D. Henderson Engr. Ltd.,
Edmonton
H. W. Klassen, Engr. Ltd.,
Calgary
J. J. McCartan Engr. Ltd.,
Saskatoon
Angus Butler Engr. Ltd.,
Saskatoon
Saskmont Engr. Ltd.,
Regina
Klien & Dashevsky Ltd.,
Winnipeg
Mechanical Western Consultants Ltd.,
Winnipeg
Scouten Mitchell Sigurdson Ltd.,
Winnipeg
Reid Crowther Ltd.,
Winnipeg

[Mr. Ouellet.]

Keen Engineering Co.
Vancouver
D. W. Thompson Ltd.,
Vancouver
McKenzie Snowball
Skalbania & Assoc.,
Vancouver
Territorial Projects Ltd.,
Vancouver
Park and Djwa,
Vancouver.

HOST CAR RENTALS

Question No. 651—**Mr. McKenzie:**

1. What was the date of occupancy promised to Host Car Rentals for concessions at (a) Winnipeg (b) Edmonton (c) Calgary (d) Vancouver (e) Halifax (f) Ottawa (g) Montreal (i) Dorval (ii) Mirabel (h) Toronto (i) Terminal 1 (ii) Terminal 2 Airport as a result of their successful tender acknowledged October 21, 1976 and, in each case, on what dates were the concession counters actually made available?

2. Was Host allowed entry into the terminals on the dates specified by DOT and, if not, for what reason?

3. What was Host's rank with respect to other successful bidders in October 1976?

4. Was Host promised a choice of counter location in respect to their rank among the successful bidders and was Host in fact granted such space commensurate with their rank?

5. What was the length of the contract agreed to by DOT with respect to Host's successful bid in October 1976?

Hon. Otto E. Lang (Minister of Transport): 1 to 5. This question is presently the subject of litigation and as such, no comment can be made.

URBAN TRANSIT—NEW BRUNSWICK

Question No. 802—**Mr. Howie:**

1. Since April 1, 1978, how much assistance has been made available to the Province of New Brunswick to assist with urban transit?

2. Is the allocation of funds during this five year programme still based on the formula of $2.00 per capita according to the population of the Province as recorded in the official Census of 1976?

3. To date, what community and privately operated bus systems have received assistance?

Hon. Otto E. Lang (Minister of Transport): 1. Under the Urban Transportation Assistance Program, New Brunswick will receive $6,774,000 over the five-year period commencing on April 1, 1978. None of this money has yet been transferred.

2. No. The allocation is based on $10 per capita over the five-year life of the program.

3. No bus systems have yet received assistance from the Urban Transportation Assistance Program. It is expected that agreements will shortly be signed that will provide assistance to municipality owned urban bus systems in Fredericton, Moncton and Saint John. Under the Atlantic Provinces Transportation Program $309,906 has been contributed for the acquisition of three intercity buses by SMT Eastern Ltd.

EMR—WIND GENERATED ELECTRIC ENERGY PROJECTS

Question No. 881—**Mr. Howie:**

For the fiscal year ended March 31, 1978, what amount was spent by the Department of Energy, Mines and Resources on wind generated electric energy projects?

Mr. Pierre Bussières (Parliamentary Secretary to Minister of Energy, Mines and Resources and Minister of State for Science and Technology): The Department of Energy, Mines and Resources reports as follows: $16,000.

EMR—SOLAR ENERGY PROJECTS

Question No. 882—**Mr. Howie:**

For the fiscal year ended March 31, 1978, what amount was spent by the Department of Energy, Mines and Resources on solar energy projects?

Mr. Pierre Bussières (Parliamentary Secretary to Minister of Energy, Mines and Resources and Minister of State for Science and Technology): The Department of Energy, Mines and Resources reports as follows: $358,000.

* * *

[*English*]

POINT OF ORDER

DELAY IN ANSWERING QUESTION NO. 19

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise on a point of order. I refer to question No. 19 which was placed on the order paper on October 11 in this session and is outstanding from previous order papers. It concerns the use, or perhaps I should say misuse, of the Unemployment Insurance Commission computer in Montreal, allegedly by public servants after hours.

When I first raised this matter in the House, the RCMP subsequently ordered an investigation. I was contacted by the RCMP and co-operated to the fullest extent with them. I have been assured that this investigation has long since finished, yet no answer has been given as to whether Key Data Canada got use of this computer and paid kickbacks to public servants, including the installation of a swimming pool in the back yard of one public servant in the city of Montreal.

As the question has been outstanding this long, and since the investigation of the incident has been completed by the RCMP and this question is still sitting on the desk of the minister or whoever is responsible, I feel it is time that we now have some indication of what is going on. They were passing around free swimming pools and, it is alleged, $20 bills in envelopes to public servants in order to draw them into this scheme. Fortunately many of them refused. It is time we knew exactly what happened in the city of Montreal at the time when Mr. Kingsley and Mr. Mainville were involved in directing the computer centre. Mr. Mainville was regional director at the time.

Can the parliamentary secretary tell us when this question is going to be answered? Do we have to wait another two years? Are they going to keep hiding crooks in the public service and not let the people of Canada know that their money is being embezzled?

[*Translation*]

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): Would the hon. member repeat the question to which he refers.

[*English*]

Mr. Cossitt: Question No. 19, Mr. Speaker.

Mr. Speaker: The question enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—NON-CONFIDENCE MOTION—REQUESTED ESTABLISHMENT OF FAIR PRICES COMMISSION

Mr. Edward Broadbent (Oshawa-Whitby) moved:

That, given the government's failure to hold down rising prices, which have increased the cost-of-living burden for Canadian families, this House calls on the government to establish a fair prices commission, with powers to investigate and, where necessary, to roll back unfair price increases.

Mr. Speaker: Hon. members will note that not later than 9.45 o'clock p.m. every question necessary to dispose of proceedings shall be put forthwith in accordance with Standing Order 58(9).

Mr. Broadbent: Mr. Speaker, the debate we are going to have this afternoon is one of the most important in the history of this parliament.

An hon. Member: Oh, oh!

Mr. Broadbent: A Conservative member laughs. I hope he is as concerned about prices as most Canadians. I say it is one of the most important because the subject matter affects every Canadian. It affects pensioners, married couples, single people, trade unionists and non-trade unionists. The reality is that at this point in 1979 we are facing the clear prospect of a major new inflationary cycle.

The Prime Minister (Mr. Trudeau) has expressly said that he has not called an election because the Parliament of Canada has things to do. I cannot think of a subject matter that the people of this country would like parliament to deal with more than prices. If the Prime Minister is going to continue to hold off having an election on the ground that parliament has things to do, I would like to see soon on the order paper a measure from the government, even just one, indicating that it wants to come to grips with this very serious matter.

In 1978 prices went up by some 9 per cent. The most recent figures show that that 9 per cent figure is continuing in 1979 and is in fact likely to worsen. That is on the price side. If you look at wages and salaries, the pay of Canadians, what do you find? Figures released on the weekend by Statistics Canada show that the average weekly earnings of Canadians increased from $252 a week to $269, an increase of only 6.4 per cent.

If you subtract the increase in the cost of living for 1978 from the increase in earnings, what do you find? I am sure even members of the cabinet can understand this reality. In 1978, the average Canadian worker had a net loss in his income of $340. His standard of living did not increase at all in 1978. With price increases exceeding salary increases, the ordinary family is falling behind in an economic sense.

● (1520)

I am not so much concerned with 1978 as I am with what is going on right now in terms of what is in store for the rest of 1979. Looking at the trends for the last quarter of 1978, the alarming conclusion one has to reach is that the net loss of income which became apparent in 1978 will be even worse for Canadian workers in 1979 unless something is done. The reality is that real incomes are falling behind.

Wage settlements continue to fall behind the increase in the cost of living. I learned of one settlement over the weekend affecting 18,000 hospital workers in Ontario. Hospital workers in every province are among the most poorly paid Canadians. Their settlement amounted to 4 per cent, or even slightly less. It does not take an economic genius to realise what is happening; even without briefing notes the Minister of Consumer and Corporate Affairs (Mr. Allmand) could calculate that an increase of 4 per cent set against an increase in the cost of living conservatively estimated at 9 per cent for this year means a significant loss of income for those hospital workers. The fact is that thousands of workers who have been subjected to a wage control program for the past three years are now accepting similar settlements. It is time a measure of economic justice went in the direction of the workers. That is what this debate is all about.

The AIB report which came out over the weekend showed that food prices went up by some 21 per cent in the past year. Again, I should like the cabinet minister who will be replying in this debate on behalf of the government to consider the impact of this increase on a typical family. It is not so serious in its impact on members of parliament because compared with most Canadians we are well paid. It is not so serious in its impact on a civil servant who has just got a $5,000 increase in pay. But it is very serious for pensioners and low income earners who spend a much larger proportion of their incomes on food than do the rest of us. The price of hamburger meat, I heard not long ago, had reached $2 a pound and I am told it is now in excess of $2. A head of cauliflower in Ottawa costs

$1.98. Last week, in the same store, the price was $1.49. Vegetable prices have risen so high that a Liberal senator, a member of that other august body which joins us from time to time in assessing legislation, thought we should remove vegetables from the consumer price index. That is the Liberal way of dealing with the high price of food—remove it from the statistical accounting system. I am sure the hon. senator does not speak for the government in that regard but I should like to hear what members of the cabinet intend to do about the high cost of vegetables as well as of other food.

Today a loaf of bread costs 69 cents or 70 cents. Every food item is costing more day after day, as housewives know—they do not need politicians to tell them. Lumber prices are going up as well as steel prices which affect so many consumer needs. Car prices are going up. Prices in every sector of the economy are increasing, not declining. I asked my research staff to try to find evidence of some falling off in prices somewhere because it seemed to me that if we were getting increased efficiency as a basis for increases in profits some falling off in prices could be expected. But I am told there are no such reductions in prices. In the old days firms cut the prices of some of their products in order to win a larger share of the market; but nowadays prices are not reduced, they are set and then they are kept up.

So we are confronted by this reality. On one hand, wages and salaries have been controlled by the AIB for three years; controls have now been removed and there is every indication that the demands being made by workers are reasonable. On the other hand, prices and profits are going out of sight and it is obvious that something has to be done.

Something has to be done in terms of fairness for its own sake. What I want to emphasize today, however, is this. If we are to head off a new round of inflation in 1979, we must take action today for the Canadian worker on the price side of the ledger. If we expect men and women who will be coming to the bargaining table in 1979 to do what they normally do, which is to make reasonable wage demands, then we have to confront them with a reasonable price situation. As sure as we are sitting in this chamber today, Mr. Speaker, if the price escalation continues at its present rate, continues to rise in 1979 as it did in 1978, Canadian men and women who are bargaining for wages to ensure that their families have a reasonable existence will demand increases later this year which are at least equivalent to the increase in the cost of living. So the more the cost of living goes up, the more we can expect wage and salary demands to go up. And that is just, Mr. Speaker.

If you look at the period from 1945 to the present time you will find almost without exception, not only in this country but in the United States as well, wage and salary demands have invariably followed price increases, not the other way around. I read a report in the New York *Times* on Sunday which made the same case as I am making here.

● (1530)

The inflation we are now experiencing certainly has nothing to do with wage and salary demands. It has everything to do with demands on the economy by the other side of the ledger. So what can we do? What has been the response of the government? The government, led by the Prime Minister, who says he does not want an election because parliament should be doing something, has not done a thing about increasing prices. In general, it has made three responses to questions my colleagues and I have been putting since Christmas in the House about price increases. On the one hand, when the government could get away with it, it has said that price increases are not real, that they do not exist and that we are making things up. That has happened from time to time. The Minister of Consumer and Corporate Affairs typifies that by his mobilized inaction. The typical response has been to say that the situation will be studied but that there is nothing the government can do. That has been the twofold response of the Minister of Consumer and Corporate Affairs. The response has been to set up another study and to say in advance that there is nothing the government can do—and I am waiting to hear a report on at least one of these studies—even if the study concludes that there is price gouging.

There has not been one rollback ordered by this government, which is crucial if we are addressing our concern to the typical worker in Canada. Not one price has come down as a result of action by this government. Quite the contrary, by lifting subsidies recently on bread and milk and by allowing oil companies to get what they could in the market, this government has been directly responsible for many of the price increases which have taken place. I say on behalf of my colleagues that something can be done, and something must be done.

Before I indicate what must be done, I want to mention half a dozen examples because I think one example is worth a thousand generalizations. The people who are out there in the country certainly deal with concrete examples. They do not deal with annual figures put out by Statistics Canada, and I hope when the minister speaks on behalf of the government today he will deal with these cases because they point very clearly in one direction. This has caused me to conclude that we have to propose to this government a specific method for dealing with prices because the government has not been able to come up with one on its own.

First I want to deal with the general question of food prices. We know the government's response in this regard. Its response is that the low level of the Canadian dollar has meant that food prices are inescapably higher. Let me concede right off the bat that that is true in many cases. If we import orange juice or vegetables from Florida or California and our dollar is low, prices will be higher. Anyone who is honest must acknowledge that reality.

However, there is another reality about which the government does not like to talk, and I want to draw attention to it. The report issued by the AIB last week indicated that food store profits jumped 37.9 per cent in the third quarter of last year over the third quarter of 1977. In the same period—and this is the issue which concerns me—sales increased by only 17.4 per cent. In terms of elementary arithmetic, profits

increased at twice the rate of sales. We want to know the reason for that. It may be that there has been some remarkable new efficiency introduced by the food chains. It may be that there have been some devices or managerial actions which have led to profit increases twice that of sales. Perhaps some creative genius has been at work at the middle man level in the food sector.

If that is the case, I think Canadian consumers would like to know about it. All I am saying is that on the basis of past performance and trends there is good reason for us to conclude that food prices are too high because profits in large measure are too high in this sector, and that consumers are being charged much more than they ought to be charged. We say we would like that to be investigated. We would like to have some answers. I want to stress that we are not assuming that conclusion, but at least we have the honesty to look at the evidence and not just to ignore it.

Another example is flour. A five pound bag of Five Roses flour increased in price by some 44 cents from the first week in December to the middle of this month. A five pound bag is a relatively small amount, and it is very interesting that its price should increase 44 cents in a two-month period. The federal subsidy which had been on until the middle of December, when it was removed, was only 22 cents per five pound bag of flour, and the consumer was charged twice the amount he should have been charged if the removal of the subsidy were simply passed directly on. We say that that bears investigation. Why is the removal of the subsidy being compounded in its impact on the consumer?

Bread prices are seriously affected by the removal of that subsidy. We felt that subsidy should have been left on, and we urged that because bread is a basic food for Canadians. However, the government removed the subsidy. That ought to have increased the price of a loaf of bread three cents to four cents. Instead, the price went up between eight cents and ten cents. Now a family spends 69 cents or 70 cents when it buys a loaf of bread.

Then there is chicken. In view of the performance of the Minister of Consumer and Corporate Affairs yesterday one is tempted to say that the chickens have come home to roost in terms of the government's lack of policy on consumer items. What is the reality regarding chicken prices? The AIB reported recently that poultry prices increased by some 33.5 per cent during the past year. However, the farmer got only 12.5 per cent of that. I think a legitimate question again arises: Where did the rest go? We are paying all that money for chickens; where did the rest go? The farmer does not have it.

The Minister of Consumer and Corporate Affairs does not like what he calls obscure questions. I find it difficult to understand why he regards questions about chicken prices and flour prices as obscure. However, that is his problem, not mine. The minister said in the House yesterday that the price of chicken went up because there was an increase in demand. Anyone who looks at the real world of economics knows that increase in demand is related to the question of supply and price. At one point in yesterday's question period the Minister of Consumer and Corporate Affairs said to me that if I really understood reality I would know that when demand is increased prices go up.

Some 20 minutes later the Minister of Agriculture (Mr. Whelan) let the truth be known when he revealed that during the past year the amount of frozen chicken increased. We have some four million more pounds of poultry frozen in storage—taken off the market—in 1979 than we had in 1978. That is the reason for the increase in price. Farmers have done their job, as they have traditionally done in Canada. One of the most efficient agricultural sectors of any country in the world exists in this country. Farmers have produced the chickens, but somehow the middle men have managed to take them off the market. They have kept four million pounds more in frozen storage instead of putting them on the market so that the Canadian consumer could pay a reasonable price. That is the real reason chicken prices have increased in response to demand.

● (1540)

With regard to lumber prices, there has been a 70 per cent increase in lumber prices over the past two years, with a further 10 per cent increase last month. This has added about $1,200, in terms of its economic impact on the economy, to the construction cost of a single family home with 1,800 square feet of floor space. One board foot of two-by-four spruce now retails at 23 cents, compared to 17 cents last year. Plywood prices are up to $14.25 from $11 for a four-by-eight foot sheet of half inch spruce sheeting. The big six of the pulp and paper industry, the companies which have benefited so recently from another multi-million dollar handout from this government, have recorded a 123 per cent increase in profits, from $182 million in 1977 to $407 million in 1978. I suggest that perhaps there is some exaggeration in the profit there, that perhaps there is some slight overcharging to the consumer. I suggest that if the government is interested in heading off potentially inflationary demands coming on the wage and salary side in 1979, lumber prices, among others, are areas in which the government should be zeroing in and, more than that, areas in which they should be turning around those price increases.

What about the poor banks? The major banks in Canada, that handful of financial entities protected by government legislation from outside competition, that small group of Canadian banks, had almost a $1 billion net profit last year. They in turn are increasing charges now for everyone—farmers, small businessmen, everyone who has an account—for the services they get. At the same time their profits are going right out of sight.

Finally, I will turn to the farmer. What about his input costs? Right now, a 100 horsepower tractor sells for some $28,000, up 16 per cent over last year. A combine, which is rather essential for our farmers in western Canada in particular but by no means exclusively there, went up in price in the past year from $32,000 to over $41,000, up some 30 per cent in one year. I stress again that this has come about precisely at a time when wage and salary increases were going up slightly

in excess of 6 per cent. In this case it is not the worker who is getting more than his share; it is someone else who has come between the industrial worker and the farmer. It is someone else who is getting that 30 per cent rip-off.

Therefore, it seems to me that farm input costs have to be considered rather seriously, and I say that particularly in the context of 1979 when the federal Department of Agriculture forecast that net farm income in 1979 will go down compared to 1978, not up.

Very clearly, something has to be done. I have given a number of examples. I could without any difficulty have given a dozen more examples which would require any fair-minded person or any fair-minded government to take action.

What are we recommending? We are saying that the pressures on the economy at this time very clearly are not on the wage and salary side; very clearly they are on the price side from sources other than wages and salaries. Very clearly they are up and going higher. Both in terms of present justice to the consumer and in terms of having a favourable impact on wage and salary settlements in 1979 further down the road, something must be done now about prices.

Therefore, we are proposing—so that the Minister of Consumer and Corporate Affairs will not have to rise day after day to say that the government has no authority to do this—the establishment of a fair prices commission. We say that the commission should have the following powers. First, on a selective basis, it should investigate prima facie unfair prices for food, essential household services, basic industrial commodities and farm input costs.

Second, it should have the power to delay price increases while these investigations are under way.

Third, it should have the power to obtain full information from corporations in sectors in which it is investigating a particular price increase.

Fourth, it should have the power to order rollbacks when unfair prices are discovered.

In our view, this commission should consist simply of five or six members, with a staff seconded to it by other departments that are relevant to financial concerns. There is no need to create an elaborate bureaucracy.

The way we see this commission functioning is exactly analogous, in terms of federal government authority, to the kind of influence exercised in the U.S. economy in the past by presidents Kennedy and Johnson. In the past, both those U.S. presidents singled out the steel sector which, during their respective presidencies, was proposing unjustified price increases. They had the presidential authority and the moral authority that the leader in any country should have but that we have lacked in this country. Those two presidents took on the steel industry and said that their price increases were unjustified and should be stopped. This had a significant impact on prices throughout the economy because other firms were made aware of the fact that the government meant business.

This is precisely the purpose of this commission. We see it functioning on a selective basis and zeroing in on particular targets, taking particular examples and, when it finds unfair price increases ordering rollbacks. With that kind of action we do not think it at all necessary to have across the board controls. Not only are they cumbersome and unworkable, as we have seen they are unnecessary. That is the point I am making. A selective approach at this time could have major effect because, when it rolls back a few prices, all those in the economy who had the temptation in the same year to levy unwarranted prices will not do so. That is what we think should be the effect. We think that action is overdue. We think this fair prices commission, which by no means would guarantee perfectly just prices to Canadians, would at least provide them with something they have lacked for a long time, and that is fair prices.

Hon. Robert K. Andras (President of the Board of Economic Development Ministers): Mr. Speaker, I welcome this debate today on the subject of inflation, a matter of deserved concern to all of us, and certainly a matter of overriding concern to the government. Our policies have been directed for quite some time toward trying to alleviate and bring inflation under control while avoiding other kinds of adjustments across the economy. It is always a finely balanced and difficult action to take.

I will not pretend today that we have succeeded totally in meeting our goal of reducing the rate of inflation, but I think there is good evidence, if people want to examine objectively the record, that we are on the road to a better price performance and that we are doing better in that area than most other industrialized nations. There have been some setbacks on the road, there is no question about it. They come mainly as the result of elements beyond our domestic control. But even here we are trying to meet and overcome them. We have a long haul ahead, as does every country that we can examine, but I think I want to stress the need in this country, and I think the justification, for having confidence.

I believe there is a mounting sense of optimism that I detect in our economy, perhaps not among members on the benches opposite or among some of the theoretical economists. Let us look for a few minutes at what has been happening on the inflation front. It was approximately five years ago that Canada was hit, as other countries were hit, by the shock of double-digit inflation with price increases in 1974 and 1975 touching close to the 11 per cent mark. That situation forced introduction of the anti-inflation program in the fall of 1975 and the imposition of anti-inflation controls which helped to bring down prices and to bring about a gradual turnaround in the price situation. But I think we all realize that a control program of that nature is a psychological weapon in the main and is consistent only with the market economy if it is in place for a limited period of time. Thus, the process of decontrol was put in motion approximately a year ago, in April of last year.

Unfair Price Increases

● (1550)

During that same month in his spring budget, the Minister of Finance (Mr. Chrétien) said that the increase in the consumer price index during 1978, in his opinion, would be approximately 7 per cent. It turned out to be 9 per cent, in the main because of unexpectedly high food prices and a further devaluation of the dollar, the other side of that coin, which pushed up the cost of all goods which we import.

Given no surprises, this year we expect the CPI to rise between 7 per cent and 7.5 per cent, but again food and imports will be the main contributors to that price increase. I am not saying for a moment the size of that increase is acceptable to us, but it will be significantly below the rates experienced in the past few years.

The motion before the House in the name of the hon. leader of the New Democratic Party purports to be a solution to the increased burden which inflation places on Canadian families. It would create a new agency which would apparently oversee pricing practices in this country, but in our view it does not address the basic problem. Indeed it would be irrelevant to many of the most important sources of current price increases. In addition it deals only with prices and ignores the basic cost elements, which are the essential foundations of the price structure, as though they do not exist. Time and time again it has been proven in this country and elsewhere that prices cannot be controlled in isolation from costs, wages, profits and dividends.

I imagine the hon. leader of the New Democratic Party would expect the agency to go to work first in the areas where prices are rising fastest, some of which he pointed out today. After all, when one is hunting elephants it is wise to go into elephant country. I suspect the hon. member would want that agency to look at food prices first, particularly beef, which are the main concerns of Canadian shoppers today. Although the leader of the New Democratic Party carefully avoided this, I wonder if he is prepared also to confront the cattleman and tell him that his prices are too high.

Mr. Broadbent: The answer is no.

Mr. Andras: After suffering through several years of depressed prices and rising costs, I can imagine the response the hon. member would get from the cattle farmer. Thus, the hon. member wants to cut in at some other level. He has been critical of the food processing industry over the last several weeks, but conveniently ignored the extensive investigation of the food processing and food retailing industry which was carried out just a few months ago by the Anti-Inflation Board and updated last week on the basis of third quarter data. The study concluded that profit margins in the industry varied very little from historic norms during the first nine months of 1978.

The AIB found that the profit margin was increasing, but it found that the profit margin was 3.3 per cent in food processing which was identical to the same period in 1977. In the food wholesaling area, profit margins moved up slightly from 1.21 per cent to 1.30 per cent in the periods under comparison. For food retailers, the profit margin was 1.88 per cent in the 1978 period and 1.80 per cent in 1977. Profit margins in the beverage industry declined between 1971 and 1978.

Perhaps the New Democratic Party through this agency would be prepared to tackle the number two villain on the price scene—imports. Approximately 30 per cent of the goods consumed by the Canadians come from outside the country. Foreign producers are facing price increases of their own, and the devaluation of the Canadian dollar against foreign currencies means that it costs us more to import foreign products.

Mr. Broadbent: Right.

Mr. Andras: I do not know whether the NDP is suggesting that this agency would roll back the prices paid to California lettuce producers or Florida orange growers.

Mr. Broadbent: Did the minister listen to my speech? I said no.

Mr. Andras: The hon. member has one precise point at which he cuts in, and the entire sequence of the food chain, food pricing and its mechanics seem to be a mystery to him. In any event, the hon. member thinks this is a magic wand he can wave and our exchange rate problems will disappear and all those factors will be settled.

I should like to remind members of the House that in the spring of 1974 the government presented a bill to parliament. It was an amendment to the Combines Investigation Act which would have enabled the government temporarily to freeze prices on goods where there was evidence of profiteering and to roll back prices in those circumstances. When the then minister of consumer and corporate affairs introduced the bill he said that it was designed to "stop business from taking advantage of current economic conditions to unduly enhance profits." The bill was opposed by the same opposition critics who sit across the floor today. It died on the order paper when parliament was dissolved for the general election of 1974. Following the election, the government re-examined the whole question of prices, particularly food prices, and decided that the bill introduced previously was no longer effective in the changing economic situation.

Some hon. Members: Oh, oh!

Mr. Andras: From that study we developed the concept of the anti-inflation program which was put in place in the fall of 1975. That policy on prices included guidelines which limited price increases to the recovery of added costs. Profits were restricted to margins no higher than 95 per cent of a firm's pre-tax net profit margin in the average of the previous five years. That policy worked well during the period of the anti-inflation program.

At the end of the controls it was decided at a conference of first ministers to ask the Economic Council of Canada to continue an analysis of price and cost developments. That request led to the establishment of the Centre for the Study of Inflation and Productivity. That agency was assigned the task

of monitoring prices and incomes to inform the public of developments which appear to threaten our ability to reduce inflation. As well it was instructed to investigate structural problems which may add to costs or prices and leave the economy more vulnerable to inflationary shocks. Just recently the executive of CSIP wrote to the major corporations for additional information on costs and prices to expand its work of analysis.

That is the extent of its mandate, but I should like to point out that the original proposal put forward by the federal government to the premiers of the provinces at the time of the federal-provincial conference in February, 1978, was a stronger agency with greater powers, not roll-back powers but greater investigative and mandatory powers to demand information and so on. Frankly, it was the provincial premiers who resisted that and asked us not to go ahead. The premier of New Brunswick said that he would support a lesser powered agency. He suggested in reviewing the changes which have been made in it that we should stop calling it a monitoring agency because it implies a certain amount of compulsion. He said he would like to see this set up and have it operate on a voluntary basis. That is the view of New Brunswick.

• (1600)

Mr. Davis of Ontario had great reservations about having this—

An hon. Member: Leave it to the provinces again.

Mr. Andras: Mr. Speaker, there is going to be a very interesting bit of information in a minute. Mr. Davis said that what he is looking for is to get out of involvement as government and, as much as we can, allow the business community and the collective bargaining process to function in its normal fashion. He said there should be a very clear understanding that this is a transitory sort of thing and that we are not just moving from one phase of controls to another for an unstated period of time.

I have a more definite, more positive and more precise description of concern expressed by one premier, Premier Blakeney of Saskatchewan. He clearly said that he wanted to make a very precise comment. He said that in its present form, the stronger form that was presented by the federal government to that conference, they oppose the monitoring agency, and they have no doubts about that at all. He suggested that we are in a world of psychology, and it seemed to him that if we are to foster an economic recovery we need the psychological benefit of a definite end to control, a clean break and not any haphazard return to a food prices review board. He went on to say that he really thought what we needed, in his judgment, was a clean break so that everybody will know that the control program is over and that we are all back into the business of setting prices and incomes by the market forces.

The premier of Saskatchewan went on to indicate his clear opinion that it seemed to him we have to face up to the fact that we will have to establish prices and incomes by market forces sooner or later, and it may as well be sooner. He did not think putting off the inevitable would do anything except prolong the confusion.

There is dissension. The provinces do not want us to proceed with a stronger agency than the present Centre for the Study of Inflation and Productivity. I want to indicate that the Minister of Finance, along with the cabinet, is seriously looking at the centre, and there is serious consideration as to whether there are additional monitoring powers that may or may not be necessary clearly to establish before the Canadian people whether there is profiteering. Whatever is decided on, it will fall definitely short of rollback. We do not intend to go that route. There are many reasons why we feel that would be the wrong thing to do. In the end the real key to controlling inflation is a strong and a growing economy functioning under responsible monetary and fiscal policies. That has to be the basis for full recovery and expansion in the private sector.

We took the decision a few years ago, along with the provinces, to begin to control our spending, holding it below the rate of growth in the GNP, and this is being accomplished. Monetary policy is reflecting our concern about inflation. There are a great number of other strong influences at work stimulating private sector activity. Our improvement in the international competitive situation is capable of documentation. Our domestic costs have come down at a time when the external value of the Canadian dollar has declined. We have seen a dramatic gain in jobs, more than 440,000 in the past 12 months, and we have seen a record $3.5 billion surplus in merchandise trade for 1978. Manufacturing has been recovering strongly over the past year with output up by 9 per cent and employment up by 7 per cent. We are confident that real growth this year will be about 3.5 per cent, and investment intentions which are already known suggest there will be growth in real investment of 4 per cent to 5 per cent for the economy as a whole.

The word "profit" was mentioned. I think it is a very important aspect of the recovery that this country has seen in economic terms that profits are improving. People can play games with percentage increases. One dollar profit this year on a million dollar investment is not very much. You can double that to $2 profit next year and you have a 100 per cent increase. You really have to dig a lot deeper than the leader of the NDP is digging to indicate a true pattern there.

Quite frankly, profit is not a dirty word to me. It is the main source of the capital investment that we need to produce jobs, protect jobs and create the growth this country really needs. It is something that should be welcomed by every sector of the economy, by labour as well as business, because without profits the money available for labour for decent wages and for the protection of jobs is simply not there.

We think the pieces are in place for sound expansion of the economy. We are admittedly concerned about the surge in imported food prices which is squeezing the real income of workers. We do not deny that, or that this is making the transition to lower inflation that much more difficult. But it is a serious question as to whether we can protect the people of this country from all aspects of imported inflation. Most

certainly any over-zealous attempt to interfere with the workings of the marketplace, where there is no evidence of a scapegoat, as there is not in respect of food prices, could be a response in the wrong direction. We could respond the wrong way and turn back the progress which has been so painfully established over the past few years.

Finally, there are real and technical difficulties with regard to the hon. member's proposal for a rollback. I think he is well aware of the constitutional position and that the federal government would have no such powers, except perhaps in a few areas of federal jurisdiction, such as the banks which he suggested. In the rest, a rollback power legislated by us would have to take place only on the basis of an emergency, as the anti-inflation program itself. It is very, very doubtful whether that could be proven is a case of law, and it is very doubtful in my mind whether that degree of urgency does in fact exist.

I have indicated the reaction of provincial governments. I have indicated the reaction of the government of Saskatchewan, which was most forceful of all, surprisingly, in saying it is time to let the market forces work. We are not about to embark on an agency with rollback provisions. We are not going into controls. We are coming out of those controls and it is somewhat painful. We are looking to the responsibility of the main actors in the marketplace to realize that we cannot, all or any of us, take more out of this economy than we are prepared to put into it.

I sense a great deal of responsibility on the part of labour groups. I agree with the leader of the NDP and his comments in that regard because I have been talking to labour and I see a much greater degree of rapport between business and labour. I am just back from British Columbia where there was a very encouraging recognition of much better dialogue between the main forces in the economy there. I hope that spreads. I hope these profits which the leader of the NDP is so ashamed of do get ploughed back into plant expansion and into competitive modernization so they can stay competitive in international markets particularly and protect and expand job creation. To knock them and to denigrate profits, and to start opting for artificial interventions in the marketplace when the facts do not yet warrant it, is the fastest way to turn off this return to profits and job creation that we see taking place.

I repeat that we are looking very carefully at the activities of the agency now in place; the Minister of Finance is taking this very seriously indeed. I think he will have some comments to make within the next few days, but I assure you that these activities will not be expanded, nor will we include the power of rollback.

● (1610)

Mr. James A. McGrath (St. John's East): Mr. Speaker, what is significant about the speech that we just heard is the fact that it was made by the President of the Board of Economic Development Ministers (Mr. Andras) and not by the Minister of Consumer and Corporate Affairs (Mr. Allmand). I would expect him to speak but my point is that I fully expected him to lead off this debate for the government since it is he who has the statutory responsibility within government. I intend to come back to that in a few minutes, Mr. Speaker.

The motion put forward by the hon. member for Oshawa-Whitby (Mr. Broadbent) is simplistic and, on the surface, commendable. This kind of simplistic approach is quite typical of the New Democratic Party. They come up with what is a reasonably adequate diagnosis of the symptoms but then they provide a remedy that amounts to a band-aid. We do not want another band-aid, Mr. Speaker. What we want is a cure. What this country wants is a cure.

I hope that the Parliamentary Secretary to the Minister of Finance (Mr. Martin) who makes a positive contribution to this House from time to time, Mr. Speaker, will make one on his feet during the debate and not from his seat.

The President of the Board of Economic Development Ministers referred in his speech to the parliament of 1972-74 and the amendments to the Combines Investigation Act introduced at that time by the then minister of consumer and corporate affairs. Those amendments, of course, were to provide, where necessary, the kind of rollback power called for in the motion put forward by the hon. member for Oshawa-Whitby in setting up his fair prices commission.

Of course, as the minister indicated in his speech, the amendments died with the dissolution of that parliament when we had a general election. I look forward to hearing the hon. member for Halifax (Mr. Stanfield) in this regard, because what is interesting is that when the government came back with a renewed mandate, they did not introduce the amendments to the Combines Investigation Act, which would have been the decent, honest and consistent thing to do, but proceeded to introduce that which they had campaigned against, namely, wage and price controls.

We all remember that campaign and the Prime Minister (Mr. Trudeau) going about the country saying "Zap, you are frozen", speaking against any kind of controls. And then when we came back he forgot about the previous parliament and the need to amend the Combines Investigation Act, competition policy and all the things that would have a meaningful effect in the marketplace. Instead we got a controls program.

I suppose that is all we can expect from this government but we are getting a little tired of hearing the government, in debate after debate, regardless of the issue, parading statements by provincial premiers and socking it to the provinces instead of hearing clear statements on where the government stands and what it proposes to do about the economic situation in the country today. We certainly did not get it from the President of BED Ministers as he attempted to speak for the government in replying to the hon. member for Oshawa-Whitby. We got from him, however, a hint that if this parliament lasts that long they are going to—I hesitate to use the word—"beef" up the Centre for the Study of Productivity and Inflation. What they propose to do about that toothless, useless agency whose credibility has already been destroyed is beyond me.

The problem in the first place was the failure to establish that agency under the aegis of the Inquiries Act which would give it the authority to act that it does not presently have. In consequence of some of the incorrect pronouncements it has spouted, it has lost whatever credibility it may have had as it sets out to monitor the marketplace. I suppose one can draw from the fact that the President of the Board of Economic Development Ministers spoke for the government, instead of the Minister of Consumer and Corporate Affairs or the Minister of Agriculture (Mr. Whelan), the conclusion that finally the government is beginning to get its act together with respect to some kind of strategy on prices. Perhaps the President of the Board of Economic Development Ministers is finally emerging as the minister who will be responsible for co-ordinating that food strategy we have heard so much about from the Minister of Consumer and Corporate Affairs, the Minister of Agriculture and others.

Perhaps that is what the Minister of Consumer and Corporate Affairs was referring to last week when he stated to the press what he has tried to correct or deny in the House, namely: "There is going to be a statement—something is happening. I cannot tell you very much but things are happening. We are going to have a statement on co-ordinated food strategy. All I can tell you is that I will not be making that statement, it will be some other minister."

It will not be the Minister of Agriculture; obviously he lost the battle too. That is how we can explain his absence from the House today. Obviously it is not going to be the Minister of Consumer and Corporate Affairs. Perhaps the President of the Board of Economic Development Ministers will finally have something to co-ordinate. Let us hope that at last he will be able to bring it all together.

What do we mean when we speak of co-ordination in terms of food strategy, Mr. Speaker? We mean the co-ordination of various government departments that are the responsibility of divers government ministers. We mean somebody to co-ordinate the policies of the Minister of Agriculture on the one hand, who has a responsibility to the producers of this country, and the policies of the Minister of Consumer and Corporate Affairs on the other hand, who has a very definite statutory responsibility to the consumers of this country.

Bringing up the rear is the Minister of Industry, Trade and Commerce (Mr. Horner) who has some say with respect to imports into the country. We are told that a large part of food inflation at the moment is represented by imports. Then there is the Minister of Transport (Mr. Lang) who controls the Canadian Wheat Board. He rises in his place in this House without regard to the consequences and in one fell swoop eliminates the consumer subsidy on domestically consumed wheat, notwithstanding the fact that this means a minimum 15 per cent increase in the price of a loaf of bread, an increase in the price of flour, some of which increase cannot be justified, an increase in the price of pasta products and all the things made from wheat.

Then we have the Minister of Fisheries and the Environment (Mr. LeBlanc) representing a major food ministry of this government.

I do not know what the hon. member from New Brunswick is trying to say from his seat, Mr. Speaker. I hope he says it on his feet before the debate is over.

● (1620)

The Minister of Fisheries and the Environment has a definite responsibility in this House. The price of fish is good. The price of fish is too high for the same reason that the price of beef is too high. This is because it is priced on the American market and because of our sinking dollar. That is the reason we have to pay so much for fish in Canada. I hope the hon. member would address himself to that question. But when one talks about the price of fish, it speaks to the fact that we, as one of the great and most important fishing nations of the world, have one of the smallest per capita consumptions of fish. I believe we consume somewhere between 13 pounds and 15 pounds of fish per capita per annum. Something that should be addressed by government policy is how we can increase the consumption of fish in Canada.

All of these things have to be brought together in some kind of a co-ordinated strategy. On the one hand the Minister of Agriculture talks about supply and management with the various marketing boards that are able to control supply. On the other hand we have the Minister of Industry, Trade and Commerce who has to react to whatever the Minister of Agriculture says every time there is a request to limit or increase the supply of chickens coming into the country. The same holds true for eggs and turkeys.

I want to make this very clear just in case it has not been made clear before. The last thing Canadians want is another commission. We are fed up with commissions. What we want is action. We want a government that is prepared to act. We do not want another bureaucracy. Look at what we have had. That is all we have had from this government. Now all we are getting from the NDP is this cry of "set up another commission; set up another agency." How many commissions and how many agencies have we had since 1968 when the Prime Minister promised or told us that he had wrestled inflation to the ground?

Let us look back and recall some of them. As I recall, we had the prices and incomes commission, of late and unlamented memory. This was a useless agency which put together a substantial and expensive bureaucracy only to be disbanded.

Then as a response to the politics of the food situation which was getting to be a hot political issue in 1972, the government opened parliament with a big announcement in the Speech from the Throne that it was concerned about food prices and the effect of rising food prices, and that it was going to do something about it. But what did the government do? It set up another commission. This was the special commission on trends in food prices. It is interesting to note that the Minister of Employment and Immigration (Mr. Cullen) was the distinguished chairman of that committee. He has since been resur-

rected in a new incarnation, somewhat more partisan and somewhat less objective than his role at that time, and that is the more to be pitied; but he was the chairman and knows what I am talking about.

That committee recommended, among other things, when it made its final report in 1973, a ten-year food strategy for Canada. That was in 1973, six years ago. Instead of having government action on food strategy for Canada, as recommended by an all party committee of this House, we had that special committee, the food prices review board under the guidance of Mrs. Plumptre. We know that happened to the food prices review board. It was able to identify the problems but it could do nothing about them. Nevertheless, that was the government's response at the time.

What it did next was to establish another commission. That commission was followed by the Anti-Inflation Board which grew out of the "Zap, you're frozen" policy of the Prime Minister in the 1974 election campaign.

Mr. Alexander: Another flip-flop.

Mr. McGrath: That was followed by yet another commission. This is the one which was announced with such fanfare a year ago last February by the Minister of Agriculture and the then minister of consumer and corporate affairs—the only time the old gobbler and Chicken Little have ever been able to get together on anything. They jointly announced the convening of a special conference to formulate a food policy or food strategy for Canada. So there was this big conference in Ottawa in February. It was held at great expense and brought a lot of people together, but that, Mr. Speaker, is the last we heard from them.

Then we had the royal commission on corporate concentration, but this was just another study. Finally comes the agency that we are now going to have beefed up, according to the speech made by the President of the Board of Economic Development Ministers today, and that is the Centre for the Study of Inflation and Productivity, which is supposed to look after our interests during post controls.

Certainly the people of Canada do not want another commission, even one that has the very commendable feature of being called a fair prices commission. I suspect we will be hearing a lot more about that fair prices commission as the hon. member for Oshawa-Whitby mounts his campaign whenever this government screws up the courage to call an election.

An hon. Member: They are screwing up everything else.

Mr. McGrath: There is only one thing that we need right now, Mr. Speaker. We need this government to screw up its courage to get us out of here and go to the people of Canada. I suspect that is the only way we will get action. We will not get any action from this tired, old, worn-out government over there which is gasping its last breath.

Some hon. Members: Hear, hear!

[Mr. McGrath.]

Mr. McGrath: The only time we will get action is whenever the Prime Minister screws up his courage to go to the people of Canada. Then we will get action because there will be a change of government so fast that the Prime Minister and his colleagues will not know what has hit them.

We are all in favour of fair prices. What I find rather interesting about this proposal put forward by the hon. member for Oshawa-Whitby is that, no matter how he tries to talk about it, it is just another form of controls, the very controls which day after day he has spoken against in this House. Now he intends to set up another controls mechanism. By listening to the hon. member's argument very carefully one could hear the hon. member arguing against his own proposal.

If we examine the experience of the Anti-Inflation Board—the controls program which is now supposed to be deactivated—what do we find? We find that in the first year of the setting up of the AIB the rate of inflation was 7.5 per cent. The reason it was 7.5 per cent had nothing to do with the controls program. During the first year of the Anti-Inflation Board there was a fairly substantial drop in food prices, which were not controlled in any case by the AIB at the time. Then in 1977 the rate of inflation rose to 8 per cent. Again in the final year of the controls program, 1978, the rate of inflation was at 9 per cent. At the rate we are going this year we are heading into double-digit inflation. All of this was happening at a time when the government's target for inflation at the time it set up the AIB was 4 per cent. We should now be at an annual rate of inflation of 4 per cent. That is not bad, Mr. Speaker. If you look at the figures, I estimate they are out about 125 per cent, which is not bad for this government given some of its other forecasts. The rate of inflation for the final year of the controls program was the third worst in our history and the second worst in the industrial world. Only Italy had a worse rate. Now we are going to have another controls mechanism.

• (1630)

I do not understand the hon. member for Oshawa-Whitby. He has identified what has happened. He identified that prices have gone ahead and wages are falling behind. He knows that during the last two years of the controls program wages fell behind by an average of $520.

It boggles the mind to understand how the hon. member can get up in this House and with a straight face put forward this kind of proposal which is not worth the paper on which it is written. We do not want another controls program. We do not want another commission. What we want is a change in government and the sooner the better.

Mr. Herb Breau (Gloucester): Mr. Speaker, I am happy to take part in this debate and, in particular, to deal with some of the comments made by the hon. member for St. John's East (Mr. McGrath) in his speech. I have said before that whenever the Tories cannot make up their minds on an issue, they use the eloquence of the hon. member for St. John's East. They know he is sensitive to the needs of the people because of the province and the constituency with which he identifies.

Today the hon. member for St. John's East was used unfairly. In defending or explaining a position on behalf of his party today he was used unfairly to the point where he got carried away. Above all else, and this is on the record, he used the words in this House that the price of fish is now too high. In trying to defend and explain the position of the Tory party the hon. member for St. John's East got up in this House and said that the price of fish is too high.

Some hon. Members: Shame.

Mr. McGrath: Mr. Speaker, I rise on a point of order. I apologize for interrupting the hon. member, but I must do so because of what I consider to be a gross misrepresentation of what I said. I did not say that the price of fish was too high. What I said and clearly implied was if we got our monetary situation in shape, because of the attack on the dollar and because fish, like beef, is priced on the American market, Canadians have to pay too much for fish consumed in Canada. That is what I said. That is not what the hon. member represented me as having said.

Mr. Breau: The record will speak for itself. I challenge the hon. member to show me in *Hansard* tomorrow that he did not say the words "the price of fish is too high." It is true that he said the price of beef is too high, but he also said that the price of fish is too high. If he can prove to me through the tapes, the blues or *Hansard* that he did not say that, I will withdraw the allegation. However, I heard him say that.

I have heard members of the Tory party suggest that the currency situation today is dangerous and bad for the Canadian economy, and this at a time when the price of fish, lumber, wood products, peat moss and minerals makes the Canadian economy more competitive and gives us a better edge in penetrating markets, some of which we have lost over the years. I have heard Tories, including the hon. member for St. John's East, complain about that in the House. Fishermen and those who work in the woods and in the peat moss industry, when purchasing equipment such as outboard motors, chain saws, trucks or mill equipment, have to pay the North American or world price. However, the Tories suggest that fishermen or those in the lumber industry should not get the world price.

People who work in the resource industries have traditionally had lower salaries than those who work in central Canada or in secondary manufacturing. The philosophy of the Tories is that because we have a currency exchange situation which benefits those people because the industries in which they work can better penetrate the market and receive better prices, that is bad. I find it terrible that a Newfoundland member would suggest that kind of policy.

A week or ten days ago the Leader of the Opposition (Mr. Clark) said that he generally agreed with the energy policies of Premier Lougheed. The hon. member for Halifax (Mr. Stanfield) is in the chamber. When he was leader of his party in 1973 and 1974, I remember his suggesting that the price of oil in Canada should more or less follow the international price. When it comes to oil, the Tories think we should have the world price. However, when it comes to fish, lumber and peat moss, they say we should not follow the world price. What hypocrisy! That is a double standard. They say that Ontario should get the world price for the cars, tractors, chain saws and outboard motors which they manufacture, but the fishermen should not get the world price. I say the fisherman and the lumberman has every right to the world price.

Coming from New Brunswick, I would not for one minute accept a government that would say otherwise. I have defended the government policy we are now following. I would not accept any policy that would restrict the profits of the fishing or lumber industry to the point that their prices or penetration of the market would be diminished. If this went on for a long time, those industries could possibly be asked to make a sacrifice or follow a policy of reinvesting in their mills, plants or whatever they have.

Look at the losses from the bankruptcies that have occurred over the past seven or eight years in the fishing industry in Newfoundland, New Brunswick and the rest of the Atlantic provinces as well as those in the forestry industry. How can anyone suggest that these people should not benefit for a certain period from the currency exchange market?

The policy being followed by the government is a fair policy. I have never heard the leader of the New Democratic Party say that wages in the auto plants in Oshawa should not be at the North American level. Neither have I heard him say that the wages of those who manufacture outboard motors in Peterborough should be lower than the North American wage. The same is true with regard to the manufacture of all kinds of equipment and with regard to the resource industries. Why is it that the fisherman, the man working in the woods or the woman working in the fish plant, should not benefit from the advantage they now have because of the currency exchange?

For the first time in ten or 12 years the pulp and paper industry is operating at 100 per cent capacity. In the hon. member's province a mill that had been closed has been or will be reopened.

Mr. McGrath: No thanks to this government.

• (1640)

Mr. Breau: The hon. member is wrong there. Everyone knows that if it were not for the advantage derived from the 83-cent dollar, that mill could probably not have reopened. In my constituency the pulp and paper industry is working at 100 per cent capacity and there is every indication that next summer they will want to increase inventories, cut more wood and create more jobs. The Tories do not like that. I wonder if the Tories know what the hell their policy is.

Mr. Knowles (Winnipeg North Centre): Order.

Mr. Breau: Do they want more credibility when they suggest something or do they just want to create confusion? I do not believe they are malicious. They are nice people. They are just naive and confused.

The hon. member for York-Simcoe (Mr. Stevens) comes from a riding which does not benefit from the high price of lumber or minerals or fish. He comes from a constituency which can protect itself, a place where labour and business are highly organized. What in Ontario is being manufactured but not being sold at the world price, at the North American price? I have not seen a car, a chain saw, an outboard motor or any piece of equipment that a fisherman or a lumberman uses which was bought in Ontario at a price less than the North American price.

So when I hear the hon. member for York-Simcoe and other Tories who speak for Bay Street argue against the 83-cent dollar, I can very well understand them; they are not benefiting from this situation. But when I hear the hon. members for St. John's East or St. John's West (Mr. Crosbie), along with other members from regions which for a long time have not been able to benefit from the North American economy, make the same criticism, I think it is really unfair. I am surprised they should support the policy of confusion which we find coming from the other side.

[*Translation*]

Mr. Speaker, for at least 15 years the Atlantic provinces have not had the advantages industry can benefit from, for example a better penetration of American markets, be it in the area of fish, building lumber, pulp and paper, peat moss and minerals, fine paper or generally all areas of resource. One of the reasons for this situation is that the international exchange market presently benefits from Canadian exports.

Mr. Speaker, I think it is fair policy to let those industries expand and create more jobs. Pulp and paper as well as building lumber companies are said to be anticipating one of the biggest years in terms of the number of jobs created, in terms of salaries, in terms of everything. It is going to be one of the biggest years we have had.

Mr. Speaker, I do not see why the Progressive Conservative party and the hon. member for St. John's East would want to oppose that. I do not understand. I told the government on several occasions that I could not support the restrictive measures which could result in those products being sold in Canada at lower prices than on the North American market, and for a very simple reason.

I have never heard the leader of the New Democratic Party and member for Oshawa-Whitby (Mr. Broadbent), who comes from a riding where cars are manufactured, say in this House that car workers in Oshawa should earn less than the average North American salary. On the contrary, they are paid more than North American salaries, and I find it fair because the market allows that.

[Mr. Knowles (Winnipeg North Centre).]

If the market today allows fishermen, woodworkers and peat workers to have better wages, Mr. Speaker, I cannot understand why they should not be given a chance. Why come up and say: You, no. You have the advantage because of the Canadian dollar standing at only 83 cents. The Progressive Conservatives would say: No, you are not going to get that. But that would be grossly unfair.

I would like to say a few words about the comments of the hon. member for Oshawa-Whitby who recommends yet another control policy. However, Mr. Speaker, from his very first days in the House the hon. member for Oshawa-Whitby, like the former leader of his party during the 1972 election, has always submitted all types of distortions and made-up figures to show that when certain companies make big profits, this necessarily means that they are ripping off Canadian consumers.

Mr. Speaker, this is a naive concept of the operation of our economy and does not correspond to reality. If there are no profits in a company, how can this industry or this company keep up with modern technology? Where will it take the necessary funds to expand, to implement modern methods, to protect the jobs and all the other economic benefits that the community in which it is established can enjoy because of it? Where will it get this? The Leader of the New Democratic Party never talks about this. Socialists never answer this question. They simply say that all investments should come from the public sector or that the public sector should borrow for everything. In other words, we should use the taxpayers' money because the public treasury must provide all the funds. We collect taxes or else we borrow on behalf of the taxpayers. What these people are suggesting is that all investments in a society should come from the public sector. How can they expect the private sector to finance the development and modernization of their own plants if they do not make a profit?

An hon. member is shaking his head to show that this is not so, that the public sector can finance everything. I would like to ask him how we can expect banks, financial institutions or those who buy shares on the market to invest in these plants or production units if they are not profitable?

Mr. Speaker, if an industry, sector or plant is to modernize, protect jobs and safeguard the community, as indeed our Canadian communities derive direct and indirect benefits from industrial activity, how can they remain in business without showing a profit? Every time profits increase we are faced with that naive NDP reaction. But members from that party of course never quote direct figures. They never refer to such or such a corporation increasing its profits from say $100,000 to $200,000, which may not be excessive in certain cases. The reference is to say profits soaring 100 per cent.

A 100 per cent increase may be obtained by putting $10 on top of $10, but the increase is still only $10. Mr. Speaker, playing with percentages is really dishonest. It does not give

parliament or the public the true picture. It is misleading the public. When I hear people like the NDP leader and his colleagues comparing 1978 profits, those in the last quarter of 1978 and projections for 1979, with those in 1976 and 1977, this is really dishonest. Truly it is trying to mislead the House and public, because we all know profits were low over that period. Was it not normal then that the increase be significant percentage wise? What counts is the increase in absolute terms. And looking at the profit increase in absolute terms, there may be cases of profiteering, but the broad point cannot be made that all profit increases in Canada over 1978 have been excessive in any given sector. As I say, there may be individual cases, but the broad point cannot be made that all profits have been excessive.

True, Mr. Speaker, food prices have been going up rapidly. True, there has been abnormal increase in that sector right now. Take the case of fish for instance. Fishermen today sell their catch to processors who in turn sell most of their finished product in the United States and Europe. When they sell in the U.S. and Europe they are paid in U.S. or European currency and can command higher prices. What are hon. member asking for? According to the NDP leader, it is unjust that fishermen should have this advantage for a certain time. When a Canadian citizen buys fish, if he can afford it, does he say that fishermen must subsize his food bill? What does he say? As I said a while ago, I have never heard the NDP leader claim that the unionized workers who make cars or outboard motors for the fishermen should subsidize car prices.

• (1650)

[*English*]

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. member that his allotted time has expired. He may continue with unanimous consent. Does the hon. member for Gloucester (Mr. Breau) have unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Hon. Robert L. Stanfield (Halifax): Mr. Speaker, I am very happy to be here listening to this debate because I have finally learned why we have an 83-cent dollar. It is because the hon. member for Gloucester (Mr. Breau) is in favour of an 83-cent dollar. He told the government that we must have an 83-cent dollar, and he would oppose any effort to stop the dollar from going down to 83 cents.

I have heard no one from any party in this House take exception to producers getting world prices for their produce except for oil, in which case prices have been held considerably below world prices. The hon. member for Gloucester must feel he has a weak case; otherwise he would not put up such a straw argument. No one is opposed to producers getting world prices for their fish or lumber, but some of us are concerned about what the Prime Minister (Mr. Trudeau) seems to be concerned about, if I understand him, and that is that the falling dollar has substantial inflationary effects and causes about one-third of the inflation we have been experiencing in recent months. I think that is something to be concerned about.

The hon. member said the Conservative party is confused. I daresay from time to time we get confused, but we try not to be dishonest. I have to categorize the anti-inflation policy of the government for the last number of years as lacking in frankness, being inconsistent and being opportunistic and basically dishonest. No doubt the hon. member for Gloucester will go to his part of the country taking credit for the advantages of the discount of 17 cents on our dollar. The Prime Minister and others will try to persuade people in other parts of the country that while the government is maintaining somewhat of a dirty float, it is concerned about the declining dollar. They will be saying that this came about in spite of their best efforts to pursue policies which would ensure the strength of the Canadian dollar, because they are concerned about inflationary effects. The Liberal party and the hon. member for Gloucester cannot have it both ways, and they might as well stop trying now because they are going to be exposed.

I understand the reaction of the leader of the New Democratic Party. Going into a supermarket these days is a rather chilling experience, about the same thing as listening to the Minister of Finance (Mr. Chrétien) present a budget in this House or hearing about the size of the deficit he is predicting. The leader of the New Democratic Party suggested in this House this afternoon that the way to deal with this situation at the present time is to establish an investigatory commission with power to roll back. I am disappointed in my hon. friend, the leader of the New Democratic Party, because this is really nothing more than a gimmick unless it really amounts to controls.

I suppose in fairness one has to conclude that it does amount to controls. It is easy enough to talk about fair prices and rolling back unfair prices, but what is a fair price and what is an unfair price? We would have to establish some criteria. If a commission is to be established to roll prices back, it has to be given some criteria by this parliament under which to operate. Such a commission would be a form of control. The leader of the New Democratic Party says it really would not be a general control but a selective control.

How in justice can we operate selective controls? When we talk about selective controls, do we mean that some people would have their prices rolled back if they were caught by the commission but other people could gain bigger margins if they could get away with it? Is no one to be subjected to any specific kind of regulation? There must be some concept of fairness, and in all frankness I do not feel it helps the case of the New Democratic Party to talk about selective controls. That would be no more advantageous than general controls.

I do not think there is any way the New Democratic Party can get away from the controls aspect. If this commission is to be something more than a gimmick, it has to control prices effectively. It has to keep price increases within some concept

of fairness to be defined by the Parliament of Canada, and that is surely a form of control.

It seems to me that what we are experiencing here this afternoon is to some extent a replay of 1973 and 1974. In that era, as I recall it, the New Democratic Party was calling for some form of control on prices. The government introduced the profiteering legislation to which the minister referred earlier this afternoon.

I do not want to go through all the history of those days but, as the minister said, that policy was not considered to be appropriate when the government came back with a clear majority and it was not beholden in any way to my friends in the New Democratic Party. The profiteering legislation was clearly a concept adopted by the government of the day in 1973 and 1974 to maintain the support of the New Democratic Party members of this parliament for a limited period of time. When the government came back after the election of 1974 and did not need that support, it dropped the whole idea.

● (1700)

I am not prepared, and I do not believe the members of my party are prepared, to support a return to controls at this time. We have just been through all that with regard to the AIB. It is true that I and my party advocated short term, general controls on prices and incomes back in 1973-74 because we considered them appropriate at that time. We saw the development of a strong degree of inflationary psychology and we advocated controls at that time for the only purpose for which controls are really useful, and that is to curb and deflate inflationary expectations. However, the government, in its wisdom and for electoral purposes, said that controls never work, that they were unalterably opposed to controls, and they fought the campaign on that issue. As we know, after the election we heard no more about the profiteering legislation and the government resorted to controls.

When the control measures were brought in, the government predicted that by the fall of 1978, that is last fall, inflation would be down to some 4 per cent. We know that that has not happened. I do not want to spend too long on the government's record.

I notice all hon. members on the other side are busily engaged in writing and do not want to hear what I am saying. I do not blame them; I would not want, if I were on their side, to listen to a recital of their cynical behaviour either. But regardless of how busy hon. members may keep themselves, the fact is that they have behaved in this way and this is one of the difficulties which the government confronts at the present time.

One of the main difficulties that the country has been facing in terms of inflation, following the removal of the AIB controls, has been the devaluation of the Canadian dollar. This has been recognized by the Prime Minister and by members of the government. The Canadian dollar has been falling because people in the rest of the world do not have confidence in the government or in the Canadian dollar. As the governor of the Bank of Canada said in the Standing Committee on Finance, Trade and Economic Affairs, he was very concerned that we were getting near the point where any significant further fall in the value of the dollar would trigger the kind of wage demands and general cycle that Great Britain and some other countries have experienced. He emphasized in the committee the grave importance of the Canadian dollar's not taking any further significant drop.

When we consider how we are going to fight inflation, one of our aims surely must be to prevent that drop from happening. The leader of the NDP made his proposal here today. He said the fact that prices are going up may well trigger substantial wage demands. That may well be, but what is the most significant reason that prices have been going up? There may be some profiteering in the country, I do not know, but I do know and I can see there has been a significant fall of the Canadian dollar with consequential effects on price increases. I can see this kind of thing making the working man in this country very nervous about his standard of living and causing him to think twice about the wage settlement he is prepared to accept.

This is not the whole story but I think that to a very substantial extent one thing we have to establish, if we are going to get anywhere, is that we will deal with these problems in a straightforward way. We are not going to go around one part of the country saying that the devaluation of the dollar is a great thing for our exports, and in another part of the country telling some kind of story about doing the best we can to prevent the dollar from falling and indeed to strengthen the dollar. We are not going to introduce a policy, such as the 1975 policy, that "we are going to wrestle the inflation rate down to 4 per cent", and then fail. I do not know if members on the other side have noticed that we have failed, but we on this side of the House see the failure. The realization of that failure is not confined to this House; it is seen all over the world. Anybody trading on the Canadian dollar can see the difference between the promises of this government and the actual performance.

When we first introduced the controls, the government was against any severe fiscal restraint. That was in the fall of 1975. In the summer of 1978, I think, the Prime Minister, perhaps off the top of his head, announced severe fiscal restraint. What kind of consistency is that? Why did he change his mind? Possibly because he figured it was popular in the summer of 1978 to be in favour of fiscal restraint.

When "The Way Ahead" was published and released in the fall of 1976, the government announced its determination to head off any further inflation. I think it claimed the rate of inflation was down to 6 per cent and predicted it would soon be down to 4 per cent. We all know it is up around 9 per cent.

One of the substantial problems that the country faces in maintaining respect for the value of our dollar, in maintaining any respect outside our country for the future of our economy, is the lack of credibility of the government. Yet the government announced a year and a half or so later that it is following a policy diametrically opposed. You have a government making firm predictions as to what effects its policies

will have on the rate of price increases in the country, and the actual rate of inflation is more than twice as high as was predicted.

I do not believe there are any easy answers to the economic problems this country faces, economic difficulties which have been brought about in substantial measure by this government. But when you have people playing games, as did the hon. member for Gloucester today, and when you have a Minister of Finance presiding over a budget deficit of some $12 billion, up $1 billion or so from the previous year, and trying to blame that on the Leader of the Opposition (Mr. Clark) and saying the Leader of the Opposition was talking about big deficits, what kind of games are these? The members opposite and their ministers have a serious responsibility to tell the people the truth, even in election time.

We have had on the part of the government a sequence of deception and change, and even when the government is trying to be honest, which is not too often, and making predictions about the effect of its policies, it has proved to be incredibly wide of the mark, so wide of the mark as to destroy any confidence on the part of anybody watching this country that the government has the slightest idea as to what it should be doing or what is going on.

• (1710)

A restraint program was introduced when there was a rate of inflation of something over 10 per cent. Three and a half years later we are operating at an inflation rate of over 9 per cent. We have a dollar which has been drifting downwards and the government pretending that the market might determine the level of the dollar when in fact the dollar is floating on a sea of foreign borrowings. Even with all those borrowings, the dollar has drifted down to close to 83 cents. Despite the grave concern the governor of the Bank of Canada expressed about this process, the hon. member for Gloucester stood up in the House and said that this is a terrific thing and tried to invent a straw man to attack.

Mr. Breau: It is good for the resource industry.

Mr. Stanfield: Hon. members opposite cannot have it both ways. I thought they were supposed to be the government of the country. I thought they were supposed to be looking after the interests of the country as a whole and not trying to play one part of the country off against another.

Some hon. Members: Shame, shame!

Mr. Stanfield: I wish the hon. leader of the New Democratic Party had put forward a resolution of substance on the subject of inflation this afternoon because I would have loved to support him and to vote against the government on the matter of inflation. The record of the government is tortuous and incompetent. There is a complete lack of confidence in the government's record. I came into the House this afternoon and witnessed the performance of the hon. member for Gloucester. I would have thought members of the government who supported eleventh hour conversion would have looked at the interests of the country as a whole and thought in terms of an anti-inflation and development program in the interests of the country as a whole.

I do not dwell on this, but I do not think Canadians have forgotten the change in position of my friends opposite since 1974 and 1975. That has created a basic lack of confidence in the government which has affected the acceptability and effectiveness of all its programs since that date. I regret to say I have no confidence in the intentions of the government to pursue a consistent program of development and anti-inflation. Also I regret that I cannot support the motion put forward by the hon. member for Oshawa-Whitby (Mr. Broadbent) which is either a gimmick or an inappropriate form of control. I look to my leader and hon. members of my party to go into the next election with an honest and frank statement to the people of the country—

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. member that his allotted time has expired. He may continue with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Stanfield: Thank you; I will just end my sentence. We will go into the next election with an honest and frank statement to the people of the country. We will not promise the moon and we will not promise the impossible. We will tell Canadians what the facts are and put forward realistic, honest policies. When the people of the country place their confidence in my leader following the next election, I am confident he will not introduce a year later a policy diametrically opposed to those he will advocate during the election campaign.

Some hon. Members: Hear, hear!

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, I have been listening to this debate this afternoon, contrary to what was suggested by the hon. member for Halifax (Mr. Stanfield).

I can sympathize with the motivation which has led the hon. leader of the New Democratic Party to place this motion before the House today. I am fed up and the consumers whose interests I represent are fed up with the seemingly unending increase in prices. All of us in the government want to do something to help consumers, be they business consumers or individuals. We have done much in recent years to ease the burden of rising prices.

Some hon. Members: Oh, oh!

Mr. Allmand: We have subsidized eastern consumers of oil. My colleague has recently increased the guaranteed income supplement and developed a child tax credit of $200 per child to help lower and middle income groups. We have lowered sales and personal income taxes both directly and via indexing. As a matter of fact, the recent consumer price index indicated that the federal sales tax reduction announced in the November budget is being passed on, and that the non-food element

of the recent CPI showed a very slight increase due to that tax cut. As a matter of fact, in some cases there were decreases in the index respecting clothing and furniture.

Foremost in our initiatives to control inflation in recent years was the establishment of the Anti-Inflation Board in the fall of 1975. I want to point out to the House and remind Canadians that that occurred 15 months after the 1974 election, at a time when there was escalating inflation. Contrary to the statement made by the hon. member for Halifax, there was no deception.

Mr. Stanfield: Oh, oh!

Mr. Allmand: I was a member of the government and of the House much before the 1974 election when we said that we had a contingency plan for price controls but that we did not think controls should be applied at that time. We did not apply them after the election, but they were applied 15 months later. It was not because we wanted to do it; it was a situation similar to a person requiring a serious operation to cure a very drastic medical problem. We felt we had to go ahead with the controls in the fall of 1975.

In comparing the provisions of that proposal in 1975 with the provision before the House today, it is interesting to note that the Anti-Inflation Board was given the power to investigate and to roll back prices. But what did the NDP do at that time? They voted against the measure unanimously. More than that, half way through the program they attempted to terminate the AIB mandate by circulating a petition. Of course, at that time NDP members said that the AIB program was a program to control wages and not prices and, of course, that was not true. There were guidelines respecting wages, prices and profits. As a matter of fact, there were rollbacks in all areas. Even recently the AIB ordered rollbacks respecting prices and profits in the food industry, in a prominent food chain. Also that was done respecting insurance and other industries. The controls applied to profits and prices as well as wages, but the NDP did not support this policy.

Today the NDP is proposing a system where there would be a rollback similar to the roll-back power in the AIB program, and they want us to support it. I agree with the hon. member for Halifax that it is a gimmick.

When we introduced the AIB program, we did so reluctantly and only on a limited basis for a three-year period. At that time we said that its principal purpose was to break the rampant inflation psychology and to implement some structural changes in our economic system. Among those changes that were pursued were reforms of our competition policy, of which I will say more later, the development of an industrial strategy, some of which has been announced in recent weeks by my colleague, the President of the Board of Economic Development Ministers (Mr. Andras); changes in the international trading system, which are now being pursued in the multinational trade negotiations; and extensive measures taken by the government to curtail its growth and to cut out fat and waste; in other words, to streamline our governmental system.

• (1720)

There is no doubt that there has been an alarming increase in food prices, but it certainly has not been to the extent alleged by the NDP leader and, to my knowledge, not for the reasons stated by him. Yesterday he said that a recent AIB report stated that food prices had increased by 21 per cent over the past year. All I can say is the CPI index put out by Statistics Canada reported a year over year increase of 13.5 per cent for food, and this compared with the general index of the year over year increase for all items of 8.4 per cent. On a monthly basis, last month food increased by 1.9 per cent compared with a general increase in the index of 0.8 per cent.

However, these increases are still too large. They are not as large as stated by the leader of the NDP but they are still too large. We expected large increases at the beginning of this year, particularly due to the cost of imported vegetables and fruits and the removal of the wheat subsidy. With regard to the removal of that wheat subsidy, when we removed it we said we only had limited amounts of money and we felt we had to put it where it was needed most. We took the money we had in such universal subsidy programs as the skim milk program and the wheat subsidy program and put it into programs put forward by my colleague, the Minister of National Health and Welfare (Miss Bégin), to channel more money to the middle and lower income senior citizen and the middle and lower income families.

The leader of the NDP also referred to increased profits. Once again he distorted the picture. It is true that there have been increased profits certain segments of the food industry, but on the whole these increased profits are welcomed. In 1976 there were very low if any profits in food processing and distribution have been in accord with historical norms. To see a recovery of this nature is certainly a good thing.

Furthermore, to compare increases in profits, as the leader of the NDP has done, without referring to a base I think is dishonest. As he knows, in the food industry there is very erratic behaviour in respect of profits. Profits are continually going up and down in the food processing and retailing industries and, consequently, if you take the profits from a very low base and judge them with a high period, of course you will get in that period a high increase. But, I put it to the NDP and other hon. members, have they seen one occasion since the war—and I think this is a good thing—when our general wage level has decreased? It has not. We continue to see an increase in wages. I say that is a good thing—

An hon. Member: In real income?

Mr. Allmand: In real income. But to compare that with the increase in profits for limited periods of time without defining your base is dishonest.

Generally an increase in profits heralds a resurgence in the economy. The NDP suggests that these profits are unreasonable and in fact that they are the cause of the rapid price rise. That is what I got from the speech of the leader of the NDP. I have been examining the profit reports in recent months and I have not been able to find any evidence to support this

contention. Last summer the Minister of Finance (Mr. Chrétien) asked the Anti-Inflation Board to conduct a study of profit margins in the food processing and distribution industries. The AIB report in the fall concluded that the profit margins were not out of line with historical norms in these industries.

Just a few weeks ago the Anti-Inflation Board published an update of its fall report and stated once more that, although profits had increased in the third quarter of last year, they were still not out of line with historic norms.

I think I should refer further to some of the wording of the report. It concluded that in the first nine months of 1978 profit margins in the Canadian food processing and retailing industries had varied little from historic norms. This conclusion is similar to the one presented in the earlier report in the fall in respect of the first six months of 1978. The report went on to say that in the food distribution industry the rate of increase in profits had been more than in food processing, but still that it was not out of line with historic norms.

I doubt if there is any industry in Canada which has been investigated as much as the food industry. I have here a list of some of the inquiries and investigations that have been carried on recently. In 1966 to 1968 we had the royal commission on consumer problems and inflation in the prairie provinces, the Batten commission. In 1967 we had the special joint committee on consumer credit and consumer prices, of which I was a member. In 1957 to 1960 we had the royal commission of price spreads of food products, the Stewart commission. In 1948 we had the royal commission on food prices, the Curtis commission. Then we have in Ontario at the present time the Leach commission. We had in British Columbia in 1977 to 1979 the select standing committee on agriculture which studied the B.C. food industry. We have the Anti-Inflation Board and before that we had the food prices review board. There has been study after study of the food industry, and generally these studies have concluded that there is no one level, no one group of companies, which is ripping off the Canadian consumer.

It is true that from time to time we have prosecuted and had convictions recorded against certain food companies under the combines act. That will always be the case. There will always be some bad actors in the field. But generally speaking there has been no evidence and no conclusion in any report that I know of that any one sector of the food industry is ripping off the consumer.

I should also like to put on record that we have been very active in my department in pursuing action under the combines act regarding such things as price fixing, price discrimination, market rigging, predatory pricing, misleading advertising, double-ticketing and so on, which are all marketing offences and illegal under the Combines Investigation Act. We have been extremely successful in gaining convictions against many companies for these things.

I could give a whole list of activities and initiatives taken by my department to attack price fixing, unfair pricing and misbehaviour in the marketplace. What further can we in government do to deal with escalating prices, especially food prices?

This afternoon my colleague, the President of the Board of Economic Development Ministers, stated that we are examining ways to strengthen our price monitoring capabilities so we can do a better job. That is already in the works; but it will not involve a control mechanism, nor will it have rollback powers. We are also examining measures to increase food supply where appropriate to moderate food prices, and to encourage Canadians to move to other more reasonable food alternatives.

Recently the government appointed a new chairman of the national food products marketing council, a chairman who has had experience not only in agriculture but also in the consumer movement. She will give a more fair hearing to all elements of the food industry. There were new guidelines produced for the food products marketing council which instructed the council to give a more extensive hearing to, and greater flexibility in the consideration of, these elements. In my department we have several programs to help consumers get the best value for their food dollar. We distribute to many daily and weekly newspapers in the country what is called a "food backgrounder" which provides information on the best way to spend money on food. For example, last week many columns carried information about the price of pork which was a good buy in many parts of the country. At other times protein alternatives have been suggested such as eggs, poultry, fish and so on. This information has been helpful to consumers. We are also establishing as an experiment a phone-in service in Vancouver and Victoria where consumers can call a published number and get information on their problems concerning food and food prices.

• (1730)

During the summer we bring together experts on nutrition and food and then send them to areas of the country where help is needed most—the poor areas of the cities, Indian groups, Indian reservations and remote rural areas, to instruct people on good food, nutrition, and the best value for money.

We are encouraging the development of "no name" generic foods and "no frills" stores. I have visited these stores and tasted and examined the food. This has been a very successful program in selling good food at lower prices. If consumers take advantage of these types of marketing they can save money.

Finally, Mr. Speaker, we intend to bring in very shortly once again, reforms to our competition legislation. If anything will really assure fair prices for the consumer it is a truly competitive and open marketplace. If the opposition parties, in particular, the NDP, really want to see fair prices in the marketplace, then I challenge them to give quick passage to the competition bill when it is brought forward in a few days. It is significant, Mr. Speaker, that no opposition party has approached the government to co-operate on the passage of the competition legislation which would, among other things, move it from a criminal type legislation to civil legislation. This would allow us to proceed with a great deal more flexibility than the present law, and to outlaw and convict on many practices which lead to higher prices and inferior products in the marketplace.

Inflation is a matter of great concern to the government, but the government is also concerned about the flexibility and responsiveness of the Canadian economy. The government is confident that businesses and labour union leaders have the same concern that we not fritter away the gains that we have made through the AIB program over the past three years. Government expenditure is under control; wage demands and negotiated settlements are more realistic; the outlook for our exports is excellent, and there is a strong possibility that food price increases will be more moderate as time goes on.

In these circumstances, to return to confrontation and controls, as the motion before the House proposes, rather than to place greater emphasis on self-restraint and responsibility, would be a move in the wrong direction. Canadians know that they cannot increase their competitiveness and their standard of living simply by raising prices. The government will, of course, not tolerate an irresponsible attitude toward wage and price escalation, nor will it use its control of monetary policy to underwrite such inflationary increases.

Some hon. Members: Hear, hear!

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, today we are dealing with the New Democratic Party motion to set up a fair prices commission to provide some kind of protection to consumers against alarmingly high price increases. I have listened to the spokesmen for the government trying to paint a picture showing that all is well with the world and that all we have to do is practise some self-restraint to prevent an escalating inflationary cycle for the rest of this year.

I think this confirms what many of us in the real world believe, that cabinet is living in a "Never Never Land." Anyone who has shopped for food or paid the home heating bill knows that prices are going up. The picture is not as rosy as the government tries to convey. For the minister to say that the way out of this dilemma is to practise self-restraint, is ludicrous.

Mr. Allmand: I did not say that.

Mr. Symes: How do we practise self restraint on food prices? Do we give up eating meat, poultry, or fresh vegetables? Are we to do as a Liberal senator advised, and treat vegetables as a luxury, taking them out of the consumer price index? Apparently Canadians should not use fresh vegetables in their daily diet. That is the kind of nonsense we are offered as the solution to our problems. The minister does not mention self-restraint in the pricing policies of business in this country, especially the large corporations.

I want to analyse why we in this party think prices are going up and that the only real way to help customers is to establish an investigative body with power to roll back unrealistic price increases. We all know from published statistics that prices went up by 9 per cent last year over the year before but wages only went up by 6.4 per cent. Workers today have suffered a loss in real income of some 3 per cent in terms of purchasing power. As my leader said, if this trend continues, with prices going up faster than wages, it is inevitable and reasonable that workers will ask to catch up. There is no reason why they should be the victims of an economy that is increasingly charging them higher prices in their daily lives. There will be a great impetus to catch up. The scenario will be very much like the high inflation we faced in 1973-74.

Let us examine some price increases that affect most Canadians. The most obvious is food prices which have increased by 21 per cent over a year ago, especially in the area of beef and fresh vegetables. We can only find a solution if we examine the causes. The cost of imported food is a tremendously important factor. Because of the lack of a sound national agricultural and food policy we have to rely on more and more food imports, especially fresh vegetables. As our dollar has declined to some 83 cents U.S., we find that we pay more for U.S. vegetables. The lower Canadian dollar pushes the price of food up.

We agree that little can be done immediately about the price of imported food. The long-run solution is to make Canada more self-sufficient in some of the important foods. Good agricultural land is being taken over for industrial development. Farmers are not receiving adequate prices and are being driven out of business. All of this can be attributed to the lack of a food and agricultural policy.

What has the government done in recent months about a food policy? The Conservative party has proposed cutbacks in government spending. The government has been doing flip-flops regarding certain policy changes but it has accepted the idea that restraint and cutbacks are necessary. Consumers feel the consequences of such action. First of all, the government removed the subsidy on wheat used for bread. This should have meant a three to four-cent increase in the price of a loaf, but somewhere along the line the price went up by seven to ten cents. If the subsidy amounted to three or four cents, surely when it was removed consumers had the right to expect the increase in the price would be no more than three or four cents. But something went wrong along the way. We say that as consumers we need some kind of protection against that unfair escalation in price. We have received no answer from the government because there is no economic tool and there is no investigative body to ensure that that kind of price rip-off does not occur.

● (1740)

The same thing happened when the government, again in response to the Conservative concept of government restraint and cutback, took off the subsidy from skim milk powder. As a result the cost of skim milk powder went up some 50 cents a pound. It should be recalled that it is usually low income families who use this milk powder. They are the ones who are faced with the big burden of cost increases.

Government policy on removing subsidies has contributed directly to recent price increases on certain commodities. We, of course, oppose that kind of policy.

There is another reason why prices are going up; farmers are now able to get higher prices for their products. For example, a few years ago we know that the beef raisers were not getting

enough money for their product. It was costing more to produce beef than they were getting for it. So they began to slaughter their herds to avoid bankruptcy. That situation caused a shortage. The demand is still with us and the shortage is there in terms of the actual product, and that drives up prices. What is the solution to that? Surely it is to institute a beef marketing program, some kind of a price support program so we will not have this dramatic fluctuation of prices for beef over the years. This has been avoided in the egg industry by having a regulation of production. Surely we could use the same model for the beef industry to even out the ups and downs and to ensure cattlemen will at least get an adequate price and steady income for their product.

As I said, the farmer is getting a higher price for his product and that is another reason for higher prices. Let us take a look at a specific area and try to determine how much is going to the farmer, how much is going to the retailer and to the other people in the food chain line. Let us look at chicken prices. For example, take a frozen full chicken under four pounds. We find that in February, 1979, the price increase over February, 1978, went up from 46 cents a pound to 53 cents a pound. This was a 15 per cent increase to the farmer. However, the retail price over the same period went from 69 cents a pound to $1.18 a pound, or a 71 per cent increase in price. It seems to me that any rational person examining what is causing food price increases would want to zero in on what caused that 71 per cent increase at the retail level. If we examine that we will realize why price increases are rising so dramatically.

Although the Minister of Consumer and Corporate Affairs (Mr. Allmand) protests, every consumer who goes into the supermarket knows that day by day and week by week prices are going up. People want to know if these price increases are justified.

Let us now look at the food dollar. For every dollar spent on food we find that 37 cents goes to the farmer and about 32 cents goes to the retailer. The rest goes to processors, wholesalers and transporters.

The AIB has continued to study some of these retail price increases. It has shown that food store profits increased 37.9 per cent in 1978 over the same period in 1977. Now, the NDP accepts that in the private sector profits have to be made. The point is, are the profit increases justified on sound economic grounds which anyone would accept? Has productivity increased thereby justifying a profit increase of that magnitude? Have sales increased, thereby justifying that kind of profit increase?

Again, when one looks at the retail food sector study done by the AIB, they said that profits increased over 37 per cent but the sales only increased by 17.4 per cent. In other words, their profits more than doubled their sales increase. So unless there was a dramatic increase in the productivity at that level, I think we are justified in raising the question, as consumers: is there an unjustified price increase taking place in order to account for that tremendous profit increase, despite a lower sales increase? Surely that is something a fair prices commission which we are advocating today could look at and determine whether the consumer was being ripped off by unjustified price increases. The price increases in the food industry are only one symptom of what is happening to the economy.

In the House I have raised the question of lumber price increases. These prices have gone up 70 per cent over the past two years, 10 per cent in the month of January, 1979 alone. I have tried to get the Minister of Consumer and Corporate Affairs to investigate that problem, and where necessary bring in representatives of the companies and force a moderation in price or even a rollback, but this has been to no avail. Let us not fool ourselves. This price increase for lumber will cause a tremendous increase in the cost of housing. With this increased price for lumber I have estimated that it will cause about a $1,200 increase in the cost of an ordinary single family dwelling consisting of 1,800 square feet of floor space.

The minister says that it is the old case of supply and demand; that there is a tremendous demand for lumber products; that the Americans are buying our lumber and this is pushing the price up. He says we are exporting so much because our dollar is low and that we are making a good buck when the Americans buy our lumber. This was supposed to be a rationale for the lower dollar to help Canadians in terms of exports. But what has it done? It has pushed up the price of lumber in Canada for the Canadian consumer. This government has not taken the logical step of introducing a two-price system for lumber so that Canadian domestic consumers would pay a lower price. The lumber exported could fetch a price at what the market would bear on the world market and so allow that price to increase. I see no justification why Canadian consumers should face a 71 per cent increase in the cost of lumber when we all know the cost of production has not gone up by any kind of percentage relationship to that price increase.

Steel prices are another example. The price of steel is so important to our economy it touches on items all the way from pots to automobiles. The big three steel companies have recently increased their prices anywhere from 5 per cent to 18 per cent. As a result, these steel companies have recorded a 46 per cent profit increase, from $196 million in 1977 to $285 million in 1978. Last August, of course, steelworkers who are employed by these companies, and whose hard work contributed to this profit, had to accept a 6 per cent to 7 per cent wage increase, despite 9 per cent inflation and record company profits.

The Liberals and Conservatives in this House like to blame workers' wages as the main cause of companies raising prices. I disagree fundamentally with that. My argument is that companies today are able to manipulate prices upwards because our supposed free enterprise or competitive system in reality is no longer working. We do not have effective competition to hold down prices in Canada today. What we do have is a state of oligopolies or near monopolies. We have a few large companies controlling their particular sector of the economy. When they are able to control it through supply, they are able

to control it through price. We have some 200,000 corporations in Canada, but a mere 500 of them accounted for 51 per cent of the sales, 59 per cent of the assets, and 63 per cent of the profits. Can anyone tell me we have effective competition in our economy when that kind of situation occurs?

● (1750)

If we do not have effective competition, we will not have fair prices to the consumer. Where is the competition when only four companies in Canada control 70 per cent of all flour and cereal production, four companies control 75 per cent of our iron and steel production, four companies control 93 per cent of our motor vehicle production, four companies control 71 per cent of all agricultural machinery production, four companies control 53 per cent of all slaughtering and meat products industries, and four companies control 79 per cent of all petroleum refining in this country?

There is no effective competition when you have that kind of control by the few over these important sectors of our economy. As John Galbraith, the economist, said, if the market fails, so does the case against government intervention. That is why the NDP wants a fair prices commission set up by the federal government, with powers on a national scope to investigate price increases on a selective basis where it becomes apparent to the consumer that there are tremendous increases, and this commission should have the power to roll back unjustified price increases.

The market will not do it for us because there is no longer effective competition in the major sectors of the market. If that will not work, the only protection we as consumers have is for the government to step in and act on our behalf through the commission we are advocating in this debate today.

As I said, we recognize that private companies have to make a profit, but where the market is not working it is incumbent upon government to analyse and see whether the profits are excessive or not, and whether they are justified in relation to the costs of production. Until we have a fair prices commission we will not be able to counteract the natural temptation of these large and powerful corporations which control so much of our economy to jack up prices arbitrarily, charging whatever they figure the market will bear.

If prices go up, inflation goes up, and workers demand more in wage increases. The vicious cycle repeats itself. The corporations have done very well since 1972. When you subtract the effect of inflation over the period 1972 to 1978, you find that corporate profits have increased in real terms by 55 per cent while wages have only increased by 10 per cent in real terms.

Throughout the debate here the Liberals and Conservatives have indicated they oppose the NDP motion to set up a fair prices commission to protect consumers. I regret the stand of the two old line parties, although it does not surprise me. The Conservative answer to the problem of rising prices is to call an election and get rid of the government. They do not propose any alternative solution other than the time-worn idea of wage and price controls. The Liberals stole the idea from the Conservatives. We know how ineffective that program was and how it disrupted the economy and penalized workers. The President of the Board of Economic Development Ministers (Mr. Andras) says that profits are good, that he agrees with what is happening, leaving the consumer to the mercy of a market controlled by these near monopolies. I consider that unfair.

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the hon. member but his allotted time has expired. He may continue only with unanimous consent. Does the hon. member have consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I am pleased to join in this debate on the NDP motion before this House. I am not one to suggest there should be greater federal spending, but perhaps for the sake of the Canadian public it would pay us to send this little contingent of NDPers to England to learn the new message of the Labour government in that country. The prattle that we are continuously subjected to in this House from this little group is something that the Labour party in all innocence, ten to 15 years ago in England, thought was the gospel. It has been proven to be wrong. It is unfortunate that they do not go there and find the error of the Labour party's ways in the past, and quit making these silly suggestions as solutions to inflation and other things in Canada.

It is odd that the hon. member for Sault Ste. Marie (Mr. Symes) finished his remarks by saying, and these were his words, how ineffective the wage and price controls program of the government was. We agree it was ineffective. In fact this is the only party that consistently fought against that program. The NDP repeatedly joined with the Liberals when we made various moves to try to terminate that program. Think of how inconsistent they are. The speaker on behalf of the group to my left, presumably supporting the motion, ended by saying how ineffective the wage and price controls program was, and yet the thrust of their motion is to give us another controls program. Does it really make sense?

The reasons for our inflation today are due to three problems. First, our diving dollar has added one-third to our rate of inflation in the past two years. The Centre for the Study of Inflation and Productivity, established at the Prime Minister's (Mr. Trudeau) request, has said:

> Canada has experienced more inflation because of the depreciation of the dollar. By the end of 1978, the CPI was 6½ per cent higher than it would have been without the dollar depreciation. So the dollar decline has been responsible for about one-third of the total inflation measured by the CPI in this two-year period. In 1978 the CPI rose 9.0 per cent from the year before. Without depreciation of the dollar the increase would have been about 6 per cent.

The second reason we have inflation is that while most other countries have been following a relatively tight money and public spending position, our government has been trying to hang loose.

Third, our spending deficit with the rest of the world is the worst in relative terms of any industrial country. In fact OECD countries, on balance, had a surplus on this account

last year while our problem worsened. This drove up our interest rates, which adds to our costs and inflation.

I mention those three points because they are the fundamental points that are causing the inflation that is so incomfortable in the world today. The proposal of the NDP would be nothing but a eunuch. May I call it six o'clock, Mr. Speaker?

The Acting Speaker (Mr. Turner): It being six o'clock I do now leave the chair till eight o'clock p.m.

At six o'clock the House took recess.

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

Mr. Stevens: Mr. Speaker, just before the dinner break I was making a few comments concerning the motion put before the House by the Leader of the New Democratic Party (Mr. Broadbent) today. I think it is important that we read the wording of the motion once again. It states:

That, given the government's failure to hold down rising prices, which have increased the cost-of-living burden for Canadian families, this House calls on the government to establish a Fair Prices Commission, with powers to investigate and, where necessary, to roll back unfair price increases.

The reason I read that motion, Mr. Speaker, is that until we can think of the true import of what he is saying we cannot conceive of the total inconsistency of the socialists to my left. Here we have them saying that the government has failed—which we agree—to hold down rising prices, and in turn these prices have increased the cost-of-living burden to Canadians. Certainly nobody on this side of the House would disagree with that. But how the leader of the NDP can fail to realize that his group was instrumental in triggering the government into the spending programs and deficit programs which have resulted in the inflation we are now living under in this country, I find hard to understand.

The motion then goes on to call on the government to establish a fair prices commission with powers to investigate. If such a commission were ever set up, the first thing it should start investigating is why the NDP voted so often to support the government during the minority days of the parliament between 1972 and 1974. If that commission was ever established I hope it would analyse why the NDP, in spite of the fabulous monetary and fiscal growth on the part of the government, continued to support it if, at that time, they were worried about inflation. The fact is, anybody could have predicted then that this alliance between the socialists and the near-socialists was going to trigger the inflation we are now experiencing.

We do not need a commission to tell us there is inflation in our country. Any housewife can go into a corner grocery store and see the price increases. If he cannot afford the 25 cents it now costs to buy a copy of the *Globe and Mail* I will give my copy to the Leader of the NDP and perhaps he could read the livestock reports which appear there. He could see, for example, that in Omaha the price for No. 1 cattle is between $65 and $67 per hunderweight live weight. If he looks at this, he will find that in Montreal the same type of animal sells for $75 to $80. If he does some arithmetic, he will find that it takes 120 cents to buy one American dollar. If he multiplies the Omaha price by 120 Canadian cents, he will get exactly the price beef is trading for in Montreal, Toronto or Calgary compared with Omaha. In short, as far as live beef is concerned, our prices are 20 per cent higher because the dollar is 17 per cent below par with the American dollar. It is as simple as that.

● (2010)

How these fellows can seem to be so mystified and run around saying they do not know where inflation is coming from, and how they can say they want a commission to explain it is not hard to understand. The truth is that they want a decoy. They want to be able to go to the Canadian electorate and pretend that they have in mind the setting up of a fair prices commission which somehow would do something meaningful about inflation. That is just a blind. It is not fair to the Canadian public. They know this might help some of their bureaucratic friends to get new and high paying jobs, but we will not do one thing to solve the problem of inflation until we can convince the government of the day, hopefully a Joe Clark government, that prices can be controlled only by restraint in government spending and monetary growth.

It is the government which has the control, but is it not interesting that when this same NDP group was given a chance in November of 1975 to change the AIB reference so that the board could investigate government spending, the NDP voted against us? Hon. members might recall that at that time I moved a motion that the AIB should have power to make explicit, and I quote:

—such implications of the failure of the federal government to co-operate in combating inflation by monitoring the respective main and supplementary estimates of expenditures for each fiscal year of such government, and publicly commenting, within 21 days after any such estimates, are made public, upon any failure, disclosed in such estimates, by such government to combat inflation.

That is what we in this party proposed in November of 1975. We voted for that, but the grand old alliance between the socialists and the near-socialists ganged up on us so there could be no inquiry into the increasing estimates of government expenditures. It is not difficult to understand what has happened since that time. That was in 1975, and in that year total federal government spending was $34.357 billion. Just last week the President of the Treasury Board (Mr. Buchanan) revealed that estimates of government spending are now up to $52 billion.

On budget night, November 16, the deficit predicted for this year by the Minister of Finance (Mr. Chrétien) was $12.1 billion. The minister revealed that for fiscal 1980 the deficit would be $12.9 billion. In two short years, the minister tells us, the total deficit is to be $25 billion on an expenditure of roughly $100 billion. In short, for every dollar the government now spends it receives only 75 cents in revenue. The remaining

25 cents have to be found some place, either through debt or through the printing of more money.

That is what is contributing to inflation in this country because, to the degree the government is over-inflating our money system, it causes pressure on prices. To the degree that the deficit is viewed around the world as irresponsible fiscally, that brings our dollar under pressure. And when I say that the dollar is under pressure, let us not forget that since December, 1976, it is not just that our dollar has fallen 16 per cent in relation to the American currency; it has fallen 37 per cent in relation to United Kingdom currency, 47 per cent in relation to the German Deutsche mark, and 74 per cent in relation to the Japanese yen.

That has been the consequence of the irresponsible fiscal and monetary policies this government has put in place in the last four to five years. That is why we are saying we do not need any more decoys. We do not need more commissions to tell us the obvious. What we need most of all is a new government.

Some hon. Members: Hear, hear!

Mr. Stevens: If we cannot get rid of the emperor and his hordes, at least let us talk some sense to them. It is the diving dollar which is causing the inflation which is now so objectionable in the country, and let there be no doubt that we do not need a commision to tell us what the full impact of that falling dollar will be. We can talk to any merchant today. I was talking earlier to a manufacturer and distributor in Vancouver. He told me that only now is he starting to pass on the total cost of the goods he has been purchasing from Taiwan, Japan and other oriental countries, and translating the fall in the value of our dollar into higher prices to the Canadian public. Those prices are still to be felt in Canada.

I spoke to a shoe manufacturer in Quebec city at noon today. He said that the public will not believe the prices it will be required to pay for shoes as a result of our collapsing dollar. He pointed out that leather prices have doubled because, since our dollar started to fall, leather became more attractive to buyers in, for example, Japan. They have been buying our leather, and the result is that the price of leather has doubled. The net result is that when we come to buy shoes—which the chap from Quebec city pointed out were manufactured 15 years ago for less than $15—retailers will be paying $60 and, it is anticipated, consumers will be paying $100 per pair. Those are the facts. A head of lettuce today costs 20 per cent more, simply because this government has irresponsibly allowed our dollar to collapse. Let us tell the public the truth and stop pretending some fair prices commission will discover why prices are going up. Prices are going up because this government has failed to run our economy in a responsible way.

I could go through any number of items which are produced and consumed in Canada, but they are priced on a continental basis, and the result is that to the degree our dollar continues to fall Canadian workers are expected to pay American dollar prices, yet they get Canadian dollar wages. That is the dilemma, and surely even this government can realize that it has toyed with a falling dollar. The Minister of Industry, Trade and Commerce (Mr. Horner) once said that a 90-cent dollar was a good thing. The government should have had the courage to structure our monetary and fiscal position to ensure that the dollar did not fall below 90 cents and down to the 83-cent level it is at now.

I think every member in this House should go out and start telling the Canadian public the way it is. It is time the public understood that wage and price controls did not work. If we compare our record with that of the United States, we find that in each of the three years when we had wage and price controls and the Americans did not, they performed better than we did as far as inflation control was concerned. Here are the figures. In 1976 the United States had inflation of 5.8 per cent, and we had 7.5 per cent. In 1977 the United States had 6.5 per cent, and we had 8 per cent. In 1978 the United States had 7.6 per cent inflation and we had 9 per cent. With wage and price controls we lost every year.

● (2020)

Hon. members will recall that October day when the Prime Minister announced his wonderful program to control inflation in this country. He said that he would do four things. He was going to bring in wage and price controls. He was going to have government expenditure restraint, monetary restraint, and a massive deregulation of industry. Unfortunately, once the government put its wage and price control program into effect, it forgot, in any meaningful way, the other three points of its restraint program. Government spending, as I have indicated, continued to rise. Certainly the monetary growth continued, and there has been nothing but verbiage so far as deregulation is concerned. That is why we have inflation.

For the NDP to be suggesting now that they want still another commission to control something further shows how out of touch they are with reality. It is not just that they are out of touch with Canadian reality. I referred earlier to the fact that initially they took their approach from the Labour party in England. That is in effect from where they pirated most of their thinking. But unfortunately the lines of communication seem to have broken down because the English Labour party has at least come to its senses, while the NDP charges on in its usual irresponsible way. I say this because I find it is interesting now that when you look at the economic progress report published by the treasury in Great Britain you find that they are taking a meaning approach to expenditure restraint. They have accepted that the growth should be limited to 2 per cent on a real base year over year, and they have projected ahead to 1983 to show that in fact they will keep a lid on their expenditures, they will have a smaller deficit and, in short, that is why the U.K. pound is going up and our dollar is going down. We are the last of the western nations to accept the basic principle that you have to run a prudent economy if you want to lick inflation.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Tonight, Mr. Speaker, the motion before the House deals with the creation of a fair prices commission with powers to investigate and, where necessary, to roll back unfair price increases. To me, Mr. Speaker, this motion is not complete. We are wondering whether it proposes to freeze wages and prices like in the past or whether it is simply designed to study rocketing wages and prices. And we, too, are wondering how to achieve that goal. The mover of that motion did not specify how he intended to reach the objectives contemplated in his motion.

Tonight I would like to make three or four brief proposals which have already been made here and which our party puts forward to stop ever higher prices and wages and so on. This would be done first through the consumer discount, second by the establishment of a commission which would be called the national credit bureau, and third, the reduction of interest or the stoppage of debt accumulation and the control of monopolies.

Most Canadians, Mr. Speaker, have heard of the consumer discount, mainly from us who advocate the reforms of social credit. However, few understand the mechanism. What is the consumer discount? It is simply something that would make prices a reflection of the true economic conditions of the country. In other words, if production is abundant and easy, the purchase of that same production would become easy. So you see that it is not necessary to restrict or even reduce production as is being done today to stabilize prices.

What is wrong with the present make-up of prices? Prices are too high compared to the incomes to pay for them. The imbalance between what is sold and what people can buy leads to economic bottlenecks, waste and material insecurity. That frantic race after higher salaries because prices keep going up produces galloping inflation which will stop only when governments will take the means to stop that rise.

Where do prices come from? Consumer prices come from the total cost of production to which profits and interests must be added. Today the manufacturer says that salaries are too high, the materials he needs to make the end products are also too high and consequently his profits are too low. If he has to raise the cost of his product, the worker in turn will not have the necessary salary to purchase that same product. The fair prices commission as proposed tonight at both the consumer and producer level might probably to able to roll back certain unjustified and unjustifiable price increases.

But in addition to that monitoring board, the hon. member for Oshawa-Whitby (Mr. Broadbent) would have been better off including in his motion the consumer discount to reduce injustices. The consumer discount would work this way: prices paid by consumers for their purchases would be discounted by the retailers who, after submitting to a government agency the necessary proof that the sales were actually made, would receive credits to compensate the difference between the discounted prices and normal sales prices. Here is an example. Let us say that you want to buy a pair of gloves at the regular price of $20. The retailer who is registered under the consumer discount program will give you a discount of 25 per cent, $5 which the government would pay back to the retailer, or still it would be possible to purchase directly from the retailer if he agreed to reduce his prices.

Ever since we have been sitting in his House, we have been advocating the consumer discount. From the early days of social credit, we had an item in our election platform which reads as follows: a social credit government would reduce consumer goods prices through subsidies paid to retailers provided they lowered their prices by a percentage equivalent to the amount of the subsidies.

● (2030)

This mechanism will eliminate inflation while guaranteeing fair prices. Of course, we would need a commission, which could be called for instance the national credit commission, and which should be quite independent from political influence, as are now Statistics Canada and the Supreme Court of Canada. This commission would be responsible for collecting all the data and figures required for a national account book where it could find all the information necessary to issue credit.

These national accounts would give credit value to all valuable goods in the country whose total could be evaluated in dollars. This evaluation would cover lands, businesses, farm industries, public buildings, houses, mines, all means of transport, including railroads, ships, airplanes, cars, roads, bridges and canals, as well as our semi-finished and finished products. In other words, it would include as far as possible all material wealth. It should be noted in passing that the census of nearly all these values is already done by Statistics Canada. If we go back to the year 1929, which was more normal than all the others that followed, and if we consider that the figures do not include the value of our undeveloped natural resources, the total of our tangible resources was still evaluated at $30,276 million. This independent commission would be strictly responsible for keeping the national accounts up to date. This means that it would have to register regularly all increases and decreases in our total wealth.

Let us suppose that in a six-month period, we produced or imported $4 billion worth of goods and that improvements costing $200 million were made to our commercial or industrial equipment. This would mean an increase in our national wealth and would be added on the credit side of our national accounts. Let us suppose, on the contrary, that during the same six-month period, consumption and exports amounted to $3.5 billion and that the depreciation of the same equipment amounted to $150,000. This would mean a decrease in our national wealth. This amount would therefore have to be

subtracted from the national accounts or debited to the country.

Mr. Speaker, how could we achieve a balance between the amount of the wealth produced and the amount of money needed for distribution? The Social Credit Party of Canada would suggest the creation of a commission or central bureau responsible for achieving this balance. A federal office of the Social Credit Party of Canada compiles the total wealth produced during the last period on the basis, let us say, of the previous year. It also evaluates total consumption during the same period. The difference provides the available assets which are registered under the available national credit. Mr. Speaker, I have here a chart which gives concrete examples of all this, but I will simply mention a few figures since I cannot table the whole chart.

Let us suppose a production of $7 billion with imports of $1.2 billion and an appreciation of $4.6 billion for a total of $12.8 billion. On the other hand, the consumer account shows $5.5 billion for consumption, $1.2 billion for exports and a depreciation of $1.3 billion, for a total of $8 billion. There is therefore $4.8 billion in the national account for redistribution to consumers. I quote:

> A few additional remarks to clarify this. Imports and exports were set at equal levels, although this will not always be the case, but this must be the ultimate goal in a sound system. The purpose of international trade is to give consumers access to a greater variety of goods, not to draw the last cent out of customers. The money-grubbing merchant whose aim, in international trade, is to pocket his neighbour's gold is the unnatural fruit of a twisted tree.

This gives you an idea, Mr. Speaker, of the second reform we propose, the national credit office, which would have control over investments and especially over consumer prices as well as control over production costs.

Our third suggestion—and I see that my time is fast running out—would be to reduce interest. I think, Mr. Speaker, that we have many times stood before this House to request that interest be either reduced or frozen, especially in the residential construction sector.

Imagine a young man who dreams of building a house nowadays. He must first pay taxes and then, because the value of the dollar drops, he loses another 17 per cent. He must pay a building tax, excise tax, and sales tax, so that before thinking of building a house he must think of the 48 per cent in taxes alone that he must pay. He buys building materials and builds himself a $40,000 house which in reality is worth only $20,000. The cost includes $20,000 worth of taxes. He then goes to a a loan company and obtains from the Central Mortgage and Housing Corporation or any other agency a 30-year loan at 10 per cent, 11 per cent, or 11.5 per cent. At the end of 30 years, he will have paid four times the nominal value of his $40,000 house which in fact contains only $20,000 worth of materials. He will have paid $40,000 to build his house and $160,000 to financial institutions because he will have succeeded in building it.

[Mr. Gauthier (Roberval).]

This is why I suggest that a young man who wants to build a house today must be realistic and say: I am going into debt today not for $40,000 but $160,000. Mr. Speaker, if on top of that we add municipal taxes, school taxes and insurance coverage, we realize that it is costly nowadays for someone who wants to build a home.

Well, I think that if the government decided once and for all to use the credit of the Bank of Canada to finance those houses and desisted from making those young couples pay two, three or four houses to own one after 30 years, we would not need urban development and housing programs to encourage young people to build, although I say to encourage young people to get into debt, because we know ahead of time that 50 per cent of those young people will never overcome their debts. That is why I ask and propose today, while we are debating this motion, that the government pass a legislation to allow those who want to build a single family dwelling to do so, and to pay one but not three or four houses in interest. Only then, Mr. Speaker, could we urge people to build their houses.

Finally, I would like to say a few words on debts, as long as the government continues to get into debt and set such an example. In the fourth quarter of last year we borrowed $7 billion, again we are borrowing $10 billion, and that is over and above our $12 billion deficit, and the bigger the better.

It is raining billions around here, but billions of dollars of debts, and until such time as we have put an end to that type of indebtedness, and as long as the Minister of Finance (Mr. Chrétien) keeps on saying, as he did recently in reply to a question: "We are not that deep into debt; we have committed only 33 per cent of the gross national product," the situation will not change. Moreover, the minister is not telling the truth to the people. He compares the debt of the federal government with the gross national product. Let him compare eggs with eggs, and apples with apples. When he speaks of the gross national product, let him compare it with the national debt.

Mr. Speaker, if we take all the debts of the federal government, the provinces, school boards, municipalities and individuals, we will find that our national debt exceeds by perhaps $25 billion our gross national product. To be sincere, frank, and in order not to mislead the population, when we speak of the gross national product, we must compare it with the national debt and not with the debt of a single municipality or a single province. I see that I have run out of time.

● (2040)

[*English*]

Miss Aideen Nicholson (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I welcome the opportunity to take part in this debate on a subject which is extremely important to all Canadians, and particularly to Canadians of low income. I welcome particularly the very practical measures announced in the course of today's debate by the President of the Board of Economic Development Ministers (Mr. Andras) and by the Minister of

Consumer and Corporate Affairs (Mr. Allmand), which of the many remedies available place emphasis on a strengthened monitoring group, on increased competition in the market, and also on increasing the food supply and the information about alternatives. Information to consumers about alternatives is perhaps a counter-inflationary measure which is not generally as well perceived as it might be, but quite clearly the better informed the consumer, the better he or she can protect himself or herself.

The concern being expressed by Canadians about high food prices at the present time is very understandable. Food is a necessity of life. Escalation of food costs faces people day in and day out when they shop for their families. Consumers on the average spend 13.2 per cent of their disposable incomes on food for the home, but about 17 per cent of the population which makes up the lowest income sector spends nearly one quarter of its income on food. This is the group for whom recent price increases create a grave problem, the people who have little discretionary income and little flexibility.

In the search for solutions I think it is important to think of future supply as well as costs in the here and now. Intelligent consumer advocacy requires a concern for supply as well as for costs. For example, at the present time butter, skim milk powder and cheese are showing some price increases, but since these reflect increased prices to the farmers who produce industrial milk as of January, 1978, these prices should promote confidence among producers and provide stability in the industry so that all Canadians can benefit from a steady supply of dairy products.

The high cost of beef at the present time is related to supply problems. Beef prices have risen again and are expected to do so in the future because supplies of beef in North America are declining as cattlemen retain animals to rebuild their herds.

Farm prices have risen rapidly since December and this is being reflected in retail prices. Low prices are not necessarily in the consumer's best interests if they are reached at the expense of prejudicing supply in the future. In the past the Government of Canada has intervened to keep prices down in the short term by subsidies on flour and skim milk powder for instance. The difficulty with the subsidy route is that it is universal and benefits equally those with very high incomes and those whose incomes are very limited. With present government emphasis on restraint and relocation, the decision has been made to help those who need help most by, instead, trying to put more disposable income into the hands of people with lesser incomes so they are better able to withstand increases in food costs and other things related to the necessities of life.

As part of this emphasis we have seen the indexing of personal exemptions under the Income Tax Act, the child tax credit, increased family allowances, and increases in the guaranteed annual supplement. Putting money into the hands of those who most need it in order that they can meet the necessities of life is my preferred method of dealing with this kind of inflation in respect of basic necessities.

Unfair Price Increases

It is a matter of regret to me that a couple of years ago when the then minister of national health and welfare wanted to introduce a system of subsidy for the working poor, the province of Ontario blocked that measure, just as Ontario blocked the proposal made to allow housewives to protect their Canada Pension Plan contributions during the years when they were at home with children, receiving low or no income which would allow them to protect their buying power in future years when they are retired.

However, basic to any increase in social service payments is, of course, a strong, healthy economy. That is why I welcome the structural changes in the economy that have been made in the last year or two and with which we are now progressing, the industrial strategy measures, the current negotiations with GATT, the reduction in government expenditures in order to leave more room in the private sector and, particularly, our decision to go ahead with some amendments to the competition bill.

The food industry is one that has been investigated more than any other, and this afternoon the Minister of Consumer and Corporate Affairs listed some of the many investigations we have had, none of which has produced serious or pervasive evidence of price gouging. There have been some rollbacks under the AIB program of food prices, and there have, indeed, been some convictions for double ticketing or misleading advertising, but essentially as one looks at the long history of investigations into the food industry, and the comparatively small amount of evidence of dishonest practices that ran afoul of present legislation, one has to ask oneself why the public continues to be so suspicious of retailers and distributors in the food industry. I think I can see two or three reasons for this.

● (2050)

When a worker, a union, or a consumer looks at profit in the manufacturing sector, there is perhaps less tendency to regard it as necessarily negative. There is more of an assumption that profits in the manufacturing sector may go into plant expansion or something that will create more jobs. When profit is made by a large supermarket it is not so easy to assume it will be used to benefit Canadians generally, and to create jobs. Most people would think that the logical place for supermarket profits to be reflected would be in reduced prices.

There is also the fact that people are faced with food costs every day. There is not the same opportunity for discretion as there may be with some manufactured items. In the food industry, practices which are not dishonest in themselves can distort the market. There are practices against which we have no legislation at the present time, and the commission which the Ontario government now has investigating the question of volume discounts is perhaps a response to this kind of concern.

Profit recovery has traditionally heralded a general economic recovery, but profits in the food industry are generally regarded not as an indicator of good things to come but as an indicator of lack of adequate competition.

I would suggest that the most useful thing members of this House who are concerned about food prices could do, is to

support the new competition bill, if they consider as many Canadians do, that the companies do not appear to be operating in a healthy competitive marketplace.

Some hon. Members: Hear, hear!

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I want to make a few remarks about this very wise and admirable motion which we have put forward today. I think it is important to have a good memory around this House of Commons. When one hears what is being said today and compares it with things said previously, one just has to laugh.

I cannot help but think back to 1975, Mr. Speaker. Indeed, it really started with the Tory party in the 1974 election campaign when they said they wanted wage and price controls. They said there was an inflation psychology, that wages were chasing prices. Their method of dealing with this wage inflation psychology was to bring in controls. The Liberal party and the Prime Minister (Mr. Trudeau) ran around the country saying controls would not work, and that what the Tories really wanted to do was control the wages of workers. There are many members on the other side of the House who ran their campaigns strictly against wage and price controls.

An hon. Member: They lied.

Mr. Rodriguez: Yes, they lied, Mr. Speaker. People voted for them believing that—

Mr. Alexander: Mr. Speaker, I rise on a question of privilege. I know that the hon. member for Nickel Belt (Mr. Rodriguez) becomes overly excited at times, but I certainly take exception when he says that this party lied. We were honest—

An hon. Member: He said the Liberals.

Mr. Alexander: I do not know who he was talking about, but I know there was a reflection on me, which I do not accept. Of course, if he was not referring to this party, or these members, then I am wrong, but I hope he will clear it up. If he is saying that the Liberals and the government lied, then I share his views, because that is exactly what happened in 1974.

Some hon. Members: Shame!

Mr. Deputy Speaker: I am sure the hon. member would not want the Chair to have two sets of standards. If the word lie is not parliamentary, then it is not parliamentary.

Mr. Alexander: Mr. Speaker, if I have offended anybody, then I will say that during the 1974 campaign the Liberals misled the Canadian people and they were less than honest. I know that is parliamentary.

Mr. Rodriguez: Mr. Speaker, I recognize a paid commercial when I hear one. I wish the hon. member for Hamilton West (Mr. Alexander) would not be so sensitive. His turn will come. I will make it very clear to him, when he has uttered a verbal obfuscation. In the meantime, it is members on the other side who have verbally obfuscated the Canadian people. They told them that if this government were re-elected, there would be no wage and price controls. We know they turned around that Thanksgiving night in 1975 when the Prime Minister said on television that what he was going to do with this program was break the inflation psychology of anticipating further price increases.

I did not hear very much from the government benches today about the price increases which are coming hot and heavy every week to the consumers of this country. They blame labour for fuelling the fires of inflation. They waged a campaign in this country blaming labour for fuelling inflation, and got the public on their side in that kind of witch hunt campaign. The facts are out, however. In 1978 the average weekly wage only increased 6.4 per cent while the cost of living increased 9 per cent, and now we are having another run of price increases.

This evening I spoke to a gentleman in Toronto. He told me that he bought bread at Food City on Gerrard Street in Toronto four weeks ago at three loaves for $1, for a house brand bread. Today he gets two loaves for $1. What justification is there for an increase of 17 cents in the price of a loaf of bread? What justifies the increase in the price of chicken? I was touring my riding yesterday, and I was amazed to hear the Minister of Consumer and Corporate Affairs (Mr. Allmand) on the radio saying that chicken prices went up because there is a demand for it created by the price of beef going up. What is he doing about it?

Mr. Allmand: Increase the supply.

Mr. Rodriguez: What does he suggest, Mr. Speaker, that people switch to pork? What happens when the price of pork goes up?

Mr. Allmand: Increase the supply.

Mr. Rodriguez: They have all these people on the string, Mr. Speaker. I am amazed at the speed with which an increase in price at the farm gate results in an increase in price at the retail counter. But the other way takes months and months for a decrease in the basic price to be reflected in the retail price.

● (2100)

At the moment prices are rising at the pre-controls pace. But what do we hear? We hear the Prime Minister talking about bank settlements. He said the bank workers are getting settlements which are too big, and that this was inflationary. Can you imagine that, Mr. Speaker? Fancy saying that to the tellers and clerks who work in the banks. I know of a man in my riding who was working for the Banque Canadienne Nationale earning $8,760 a year. He has a wife and child to support, but he could not make ends meet. He had to go to the Manpower Office to try to find another job because he could not live on $8,760 a year. And this person should get a 6 per cent increase? These are the friends of the two old line parties; the bankers. They love it when the Prime Minister says that

they should hold the line on increases and wages for bank workers.

On the other hand, what about the service charges the banks charge their customers? For example, the Toronto-Dominion Bank increased the interest rate to their Chargex customers to 21 per cent. They did this just by one snap of the finger. Who did they negotiate with? They did not negotiate with anybody. They decided that the price was going to go up to 21 per cent, and that is the way it happened.

I could understand the sensitivity of the Tories, but we do not hear them getting up from day to day talking about price increases. They talk about the falling dollar. They do not talk about price increases. I could understand why the hon. member for York-Simcoe (Mr. Stevens) blames everything on the falling dollar. He does not talk about the banks at all. But the bankers have spoken to his leader about him. I understand there is a little promise that he is not going to be the finance minister should the disaster happen that they form the government. We will see the proof of the pudding tonight, because these Tories are going to vote with the Liberal gang over there.

Some hon. Members: Hear, hear!

Mr. Rodriguez: I say that that in effect shows the Tories are also verbally obfuscating the public. They are not prepared to challenge the corporate sector. The corporate sector must be challenged. And what do I mean by that? I mean in effect that the government instead of standing back on the sidelines and reacting in a neutral sort of way, must involve itself in planning this economy and directing it. It has left it to the multinational corporate sector.

As I observe the scene today, mergers are taking place and the corporate giants are getting larger and larger. They are getting more powerful than those who are elected to govern the country. The corporate sector must be challenged in this country. For example, when Inco made a $300 million net profit in 1973 there was nothing incumbent upon them to invest that profit in Canada. What did they do? They bought a battery company in the United States. They did what they felt was in the best interests of the corporate structure, and they were taken to the cleaners by their stockbrokers. Corporations are not in business to create employment. They are not some sort of social agency to look after the welfare of Canadians. They are there to maximize profits.

It is in the interest of the government to make sure that the resources of this country are so dispersed, so invested as to create a healthy economic climate for our people. We are not the servants of the multinational corporate structures. It is the reverse, and roles have been changed in this place. For example, a cabinet minister takes the same plane with bankers to Toronto. So how do you expect him to take a tough stand with them, Mr. Speaker? What happened to the legislation that would amend the combines act, and the Small Loans Act?

Mr. Allmand: Will you support it when I bring it in next week?

Mr. Rodriguez: You bring it in and we will have a look at it.

Mr. Allmand: That is what you did last time.

Some hon. Members: Oh, oh!

Mr. Rodriguez: This government brought in Bill C-13 which would allow banks to lend money under the Small Loans Act at up to 70 per cent.

Mr. Allmand: It is Bill C-16.

Mr. Rodriguez: Seventy per cent was the criminal rate. That is what the government wanted for its banking friends. How could we support that? We said no way. Seventy per cent was the criminal rate at which prosecution takes place.

Mr. Allmand: That is the wrong rate.

Mr. Rodriguez: The argument is that the rate must be made high enough for banks to lend money. These are the people who made a billion dollars in profit last year. I am talking about the big five. They have all sorts of money to invest in sound investments in Chile and Guatemala. They really have good credit ratings. And yet the banks do not have money to lend to Canadians at 34 per cent or 24 per cent interest; instead, they wanted 70 per cent. I say to the minister, bring in a bill that is void of all those sorts of give-aways to the corporate sector and we will give it passage.

Where is the bill which demanded that the banks pay interest on a minimum daily balance? As hon. members know, the banks at present only pay interest on the minimum monthly balance, and that is paid on a quarterly basis. Where is the bill? Where is the bill that said that banks must pay on a minimum daily balance?

Where is the bill directing the banks to take part of their portfolios to set aside for the building of homes for low income and middle income Canadians? Where is that? The government does not dare touch the banks. There is a conspiracy of silence in this House of Commons, and the Tories, who are supposed to be the official opposition in this House, are silent on these matters which affect the welfare and the well-being of the Canadian people.

We have been hewers of wood and drawers of water. As long as people in Canada keep electing Liberal governments, or Tories as alternatives, we will continue to be enslaved in that fashion. Look at what is happening with the falling dollar. Sure our raw resources are now very attractive. To balance our accounts this country is going to sell off more and more resources, forever locking us into that pattern of hinterland development. That is shocking and shameful on the part of this government. If it had any guts at all it would plan the economy so that the investment would be directed into those sectors which are job-creating and which hold some future for Canadians.

We are not going to go on ripping nickel out of the ground. We do not have any research and development for copper and nickel in the Sudbury basin, but the price of nickel is going up and so is the price of copper. The price of cobalt is going up too. Who is getting the benefit from these rising prices?

Certainly not the Canadian people, because mining of minerals is capital intensive not job intensive. The job intensive area is in the manufacturing sector.

What kind of planning does the Canadian government have? There is no planning. So as the foreign demand for our resources rose because of the drop in the value of the Canadian dollar, we have to ship more minerals out of the country. The multinational corporations jacked the price up and Canadians pay more as well. We do not have a two-price system.

We do not have a two-price system for lumber. The demand is high because the Japanese want more of our first-class lumber, but Canadians are the ones who pay. Canadians have witnessed a fantastic increase in the price of lumber. That adds to the cost of building a home. However, the friendly banker is right there waiting to give you a mortgage that will be amortized over 40 years. If you wish to retire the mortgage, however, there is a prepayment charge. Where is the bill to eliminate prepayment charges on mortgages?

● (2110)

There is a silent conspiracy. If credit unions can give a no prepayment mortgage, why can the big five not do the same when you retire your mortgage? Why have they hidden that bill? I challenge the Minister of Consumer and Corporate Affairs to bring forward that bill tomorrow, without cooking it up with his banking friends, and we will give it quick passage.

Mr. Allmand: I will remember that.

Mr. Rodriguez: We have now reached the stage where Canadians pay these high prices because of the increased prices for lumber. Is there any rationale for that? How can we expect the worker, faced with these increasing prices, to settle for 6.7 per cent or 6.8 per cent? Last year the cost of living rose 9 per cent. Therefore with a 6 per cent increase in wages that worker lost $340 last year. He still has to go to the store to buy these items, and in order to build his home he must pay the same price for lumber as the Japanese. This government is totally and absolutely useless in its approach to this. Consumers are beginning to boycott.

Incidentally, I did not mention the fact that the Economic Council of Canada had Professor Mintz do a study and write a paper. The taxpayers paid for that. What happened? It was not until after 10,000 copies had been printed that it was discovered it was something we should not see. I do not want to get into the cost of that blooper on the part of government agencies for which we pay. What was done about it? I suppose some bureaucrats were paid double time and a half to shred the bloody thing. That paper could have been recycled. With 10,000 reports, which probably averaged 12 pages each, that would be a lot of paper that could have been recycled.

Why was it stifled? I suppose there was a telephone call to the Prime Minister's good friend, Mrs. Ostry. Maybe it came from one of the big five. I was going to say Mr. McLaughlin, but he is a friend of the Tories. I suspect that after the telephone call that paper was taken out of the report, even though such papers traditionally carry a disclaimer on the bottom.

An hon. Member: It had a disclaimer.

Mr. Rodriguez: That is why it should have been published. In fact, not so long ago the Prime Minister said to my leader that there are always disclaimers on reports by the Economic Council of Canada. Again, that is part of the conspiracy of silence in this country. These two old line parties are committed not to interfere in the economy. Those on this side would get rid of Petro-Canada, the one feeble attempt which this party pushed the government to become involved in in the minority period.

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the hon. member, but his allotted time has expired. He may continue with unanimous consent. Is there consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I believe the motion before the House tonight is deceptive. I think it is cruel and hypocritical. Therefore I will vote against it. It is deceptive because it is designed to appeal to everyone when it speaks of and rightly condemns unfair prices. Obviously in a time of great hardship, high taxes, high inflation, high prices and high unemployment, any unfair price is one of many elements that may be present in our economy which a thinking people and all MPs are against. I do not care what side of the House the member sits on, everyone in this House is obviously against unfair prices.

As a political slogan or a conscientious and compassionate citizen, all of us in this House and every thinking citizen are against unfair prices. All of us are against the very idea of those who may be able to manipulate the marketplace to their advantage and to the detriment of everyone else. Make no mistake about it. These are very general and genuine concerns today. There may well be abuses in the marketplace.

When one goes food shopping, for instance, and sees week after week large increases in some of the food items in the stores and supermarkets, some of them seasonal items but many of them of the non-seasonal variety, any shopper in Canada today has to wonder whether some of the increases can be justified or whether somewhere, in the long and complex food industry chain from basic producer right through to you and I, the ultimate consumer, there is not someone who is using some unseen and unknown advantage to make an undue profit and produce an unfair price.

Just last weekend in the golden horseshoe area of southern Ontario, which has the reputation of having the most competitive supermarket and grocery industry in the country, resulting in the lowest prices for most food items in the country, I had to worry, along with the mover of the motion, when I noticed that a single fresh imported cauliflower cost me, while doing the family shopping, $1.89. That price was mentioned earlier.

What was not mentioned was that when I went to buy four unripe tomatoes, it cost me over $1, more than 25 cents each. We are great salad fans. When I went to buy a single lettuce imported from Holland, of all places, it cost me 89 cents. For three Florida grapefruit the price was 99 cents, and at that I think it was a special, 33 cents for each grapefruit. There are other items with which I shall not bother the House tonight. But I hope no one will go away believing that right now the people of Canada are not concerned about high prices, prices which many of them immediately translate, rightly or wrongly, into the proposition that they are unfair prices.

• (2120)

I repeat, however, that I feel the motion before the House is deceptive. It is misleading, and therefore it is cruel to many people who will be taken in by the type of argument we have just heard from one of the members of the New Democratic Party. Why? Because it was based upon the undeniable fact that the prices of many commodities are higher than most of us have ever seen in our lives, and it is easy to believe that those higher prices could be unfair prices.

Why is the motion deceptive? It is deceptive because, after describing the symptoms correctly, after diagnosing the illness in the Canadian economy, it holds out as its shining beacon, as its gleaming hope, as its cure, a solution which is not only incorrect and ineffective but which is unnecessary—a phony answer, a phony solution. What is the solution it proposes? It is the setting up of yet another restrictive board or commission.

I don't care whether it is called an anti-inflation board or a prices review board, or a centre for the study of inflation and productivity; I don't care whether it is called a fair prices commission or an unfair prices commission, it is certainly not the way to cure the sickness in Canada's price structure or in the nation's economy. I suspect the mover of the motion knows this as well as you and I know it, Mr. Speaker. How can you roll back prices unless you roll back profits and dividends?

Some hon. Members: Hear, hear!

Mr. Lawrence: Now we are getting to it. How can you roll back prices unless you roll back costs? How can you roll back prices unless you roll back wages and salaries—

Some hon. Members: Oh!

Mr. Lawrence: —and materials, labour, energy, the million and one other inputs which finally result in the price paid by the consumer?

An hon. Member: Spoken like a Liberal!

Mr. Lawrence: To determine what is an unfair price, the prices of all ingredients, all the prices involved, would have to be determined. Whether you like it or not, this process has eventually to become a full-fledged control program, a program of control over wages and costs as well as prices. In my naivete, in my innocence of what goes on here, in my belief that there should be some standards and principles in Canadian politics, I thought that the New Democratic Party, mainly at the urging of organized labour, was against programs of that type. But here they are, contrary to the expressed wish of the Canadian Labour Congress, the UAW, the steelworkers, CUPE and many others in the organized labour movement, defending a policy which has not worked in the past and which will not work in the future, either.

The mover of the motion says his commission could be operated by five or six board members using existing staff from government departments. That is nonsense. It is as inane as the speech we heard from the Prime Minister (Mr. Trudeau) during the debate leading to the setting up of the Anti-Inflation Board when he said the board would remain a small agency employing about 200 people. As we all know, by the spring of 1978 the staff of the AIB had grown to more than 1,000. And it didn't work. It didn't work then, and it certainly cannot work today.

Let us get back to those imported cauliflowers, to those lettuce imported from Holland. How about those tomatoes, those grapefruit? The hon. member may laugh, but these are one of the biggest factors in the jump in food prices over the last few months. Would a Canadian government board be able to arrive at the truth when examining the chain of items accounting for the high cost of imported food? Even if it did, would it be able to do anything about it? I cannot believe that even the members of the New Democratic Party take the view that it could. It would be powerless in respect of these imported items and, this being the case, it would become nothing more than a phony facade behind which the real culprit in this whole mess, the present government with its lack of fiscal and economic policy, could hide and take shelter.

Let me take hon. members back to a debate which took place on September 13, 1973. Speaking in this House in a debate on food policy, the hon. member for Oshawa-Whitby (Mr. Broadbent) said, and I quote him, that controls had been "an utter disaster" and that wherever they had been tried they had failed. They were, he said, merely a "convenient political gimmick." I say to you, sir, that the NDP motion before the House today is precisely that. It is a convenient political gimmick because, if they cannot nationalize a thing, they want to set up another board to oversee it. That is their answer to everything.

Some hon. Members: Oh, oh!

Mr. Lawrence: There is one thing I can honestly say I have not heard from them. They have not advocated setting up "FoodCan" or "GroceryCan" in an effort to control the industry.

What is the cause of the high prices of almost everything which is imported—food, cars, energy, textiles? Don't take my word for it, let's see what the latest of these ineffective expensive boards and commissions that both the government and the NDP are so fond of setting up, says. Within the last few days the Centre for the Study of Inflation and Productivity said in its own publication, "The Monitor":

> Canada has experienced more inflation because of the depreciation (of the Canadian dollar). By the end of 1978, the CPI was 6½ per cent higher than it

would have been without the dollar depreciation. So the dollar decline has been responsible for about one-third of the total inflation measured by the CPI in this two-year period. In 1978 the CPI rose 9.0 per cent from the year before. Without depreciation of the dollar the increase would have been about 6 per cent.

● (2130)

Liberal member after Liberal member can rise in his place and say, as we heard earlier today, that the fall of the dollar—Canada's sinking dollar, not Canada's floating dollar—is a good thing for Canadians. Because of the large amount of imported foods, imported goods and imported materials we have to import, the drop in the dollar has added one-third, on the average, to the total inflation from which this country is suffering. Those cauliflowers, those tomatoes, that lettuce and that grapefruit would have had one-third cut off their normal seasonal price increase if Canada's dollar had remained constant.

What would another board or commission be able to do about the dollar's drop? Would it roll back the value of the dollar to parity or to where it should be? Would it prosecute the Government of Canada for imposing high taxes, causing loss of investor confidence, the high cost of government, the bungling of an inept Minister of Finance (Mr. Chrétien) or the inability of the Prime Minister to control his bureaucracy or his policies, all of which have added to this country's shaky dollar dropsy? Of course, no Canadian board or commission would be able to do that. Earlier today we heard from the Lord High Poobah of economic ministers. His post was set up, I suspect, because the Prime Minister really did not have the political courage to fire the Minister of Finance. The President of the Board of Economic Development Ministers (Mr. Andras) says that CSIP is going to have increased monitoring powers. Big deal! With all the force I can muster I say that tinkering with government commissions and playing around with government boards will not cure the illness the government has caused in this country. Substituting a board or commission for the work and jurisdiction of an incredibly weak Minister of Consumer and Corporate Affairs (Mr. Allmand) also will not do it. The only answer is a clean, fresh broom.

Some hon. Members: Oh, oh!

Mr. Lawrence: The only answer is an election. Lord knows we have tried, but we cannot possibly change the attitude and the policies of this government, and we cannot change the effects of having a bunch of bungling government ministers. If we cannot change their policies, opinions and characteristics, the obvious answer is to change the government.

Some hon. Members: Hear, hear!

Mr. Alan Martin (Parliamentary Secretary to Minister of Finance): Mr. Speaker, as I rise in the closing minutes of this interesting debate I must first make some reference to the closing remarks of the hon. member for Northumberland-Durham (Mr. Lawrence). He spoke about illnesses in the economy, and I think we all accept that there are certain areas, particularly unemployment, where indeed we do have problems. We recognize that, but the hon. member talks about illnesses, and his financial spokesman recommends a deficit which would be 50 per cent greater than the one we already have. The hon. member did not tell us about what that would do to our balance of payments and to our exchange rate.

It was interesting to hear from the hon. member for York-Simcoe (Mr. Stevens) tonight. The hon. member seems to have toned down somewhat with regard to an increased deficit. He tells us now that he is not in favour of higher deficits. Other financial critics are, but he is not. He indicated earlier that he is quite happy with a 2 per cent growth rate. He commended the British Labour government for realizing the kind of growth rate it can expect in coming years. Earlier today he was criticizing Canada for having achieved a 3.4 per cent growth rate last year. However, that is typical of the varying opinions we hear from time to time from the variety club of five financial critics opposite.

The basic subject of the debate which has been going on here today has been the matter of inflation and its effect on families. We on this side obviously welcome such a debate because in recent years inflation has been an overriding concern of this government. The policies of the government have been directed toward bringing it under control while minimizing the adjustment costs to the economy.

We all recognize that there have been some setbacks, chiefly the result of elements beyond our domestic control, but they are being met and overcome. We still have a long, hard haul ahead, but this is a time for confidence and not gloom. In fact I believe that a mounting sense of confidence is now apparent in our economy, if not on the benches opposite.

I would like to move for a moment to the matter of food prices because I think that is the paramount issue on the minds of Canadians at this time, bearing in mind that the big increase in the rate of inflation last year was due in large part to increases in food prices. The hon. member for Nickel Belt (Mr. Rodriguez) referred earlier to increases in wages, and I think it should be noted that increases in the non-food sector were about in line with average figures for the increases in wages he mentioned.

Food prices are extremely sensitive to increased costs for energy, transportation and labour. The rate of increase in the total cost of living for non-food items has been considerably less than for food and has been trending downward until very recently. At the same time, over-all increases in average annual wage settlements have been on a distinct upward trend. As a result, the number of hours of work required to feed a family has continued to decrease remarkably. Recent price increases, though substantial in percentage terms, are less striking in terms of actual dollar costs for average annual consumption. The present upward movement in prices does not reflect a general pattern of profiteering by farmers, producers or retailers. On the contrary, no element of the food system has secured a rate of return higher than its historic average. Some of these points were made earlier this afternoon in the address by the President of the Board of Economic Development Ministers (Mr. Andras), but some of them need to be repeated.

More than one-third of the rate of increase in food prices reflects cyclical shortages in certain products, weather conditions and crop failures which are unusual and unavoidable.

Another third of the rate of increase in food prices reflects, as has been mentioned earlier today, the devaluation of the Canadian dollar, reductions in subsidies as a result of government restraint and supply management directed at ensuring reliable and stable domestic sources of supply, all of which are policies with more than offsetting advantages to Canadians in terms of increased employment, reductions in government expenditures and sound markets.

While the causes of increased food prices are therefore defensible and unavoidable, the government has been concerned about protecting the poor and the aged from their effects. To this end the government has modified the child tax credit program and increased the guaranteed income supplement in addition to the protection already afforded by indexing to these groups and to recipients of unemployment insurance and social assistance. Further measures to deal with food price increases are under review, but the government is determined to avoid steps which, in order to achieve allusory short-term improvements, in fact add to the bureaucracy, create inefficiencies, build in unacceptable longer-term costs, and simply tend to shift price burdens for consumers from one visible area to other less visible ones.

With regard to profits in food and beverages processing compared with all manufacturing for the years 1975 to 1978 there are a few points which perhaps should be registered. Food industry profits as a percentage of sales are lower than for all manufacturing. If the alcoholic beverage industry is deleted, the Department of Consumer and Corporate Affairs estimates the profits to be 4 per cent of sales, which is slightly higher than the 3.3 per cent estimated by the AIB for the first three-quarters of 1978. Profits as a percentage of equity for all manufacturers vary slightly from those of food and beverage processors. From the low point in 1976 the ratio of profits to equity in all manufacturing grew by 20.7 per cent, while that for food and beverages grew by only 13.4 per cent. For retailing, AIB sample data can be compared with Statistics Canada data for 1975 through 1977.

Mr. McGrath: Don't read that stuff, Alan. You can do better.

Mr. Martin: Some of these statistics are important. We see that pre-tax profits as a percentage of sales for all retail profits are 2.6 per cent, and for food are 1.8 per cent.

● (2140)

An hon. Member: Who is the author?

Mr. Martin: I think the conclusions need to be noted. I know that the official opposition does not like to hear these statistics any more than does the NDP.

Some hon. Members: Oh, oh!

An hon. Member: We don't like to read the department's briefs.

Mr. Martin: The following conclusions may be reached: Profits as a per cent of sales are lower in food than for all retailing.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Turner): Order, please. The parliamentary secretary has the floor for the purpose of making a speech. I suggest we all listen.

Mr. Martin: Second, retailers in food receive higher returns on equity than for all retailing. Food retailers have experienced a more rapid recovery from the low profit levels of 1976 than other retailers. Though profits have recovered from the 1976 low, the share of the consumer food dollar retained by retailers is still around 4 cents.

An hon. Member: You read very well.

Mr. Martin: The only reason I read these statistics is that they are important to the Canadian public as they listen to the kinds of arguments put forward by the NDP and their motion. If we are going to rebut that kind of motion it is important, I suggest, that the rebuttal be based on facts, and these are facts that need to be noted.

Some hon. Members: Hear, hear!

Mr. Martin: The real key, as mentioned earlier today on this side, to controlling inflation, is indeed a strong and growing economy functioning under responsible monetary and fiscal policies, one thing that the Canadian public would be sure not to have, if they ever made the fatal error—which I am sure they will not—of putting people in the official opposition in power.

Recently the executive of CSIP wrote to the major coprorations for additional information on cost and prices to expand its work of analysis.

Hon. members will recall the decision taken a year ago with federal and provincial governments to hold down the growth of their spending below the growth rate of GNP. Again I want to repeat that the premier of Saskatchewan, a staunch member of the NDP, was not in favour of any stronger mechanism than the type of organization that was brought into effect with CSIP in this area, and I think it is important that federal members of the NDP appreciate that point.

The President of the Treasury Board (Mr. Buchanan) presented his main estimates for the fiscal year which begins next April 1. They show an increase in federal outlays of 8.9 per cent over the current fiscal year. This will be significantly below the growth of the GNP for 1979-80, now expected to be somewhere around 11 per cent.

Just four years ago, the federal spending amounted to 21.7 per cent of the GNP; for the coming fiscal year it will be down to 19.9 per cent. Meanwhile there are other strong influences at work stimulating the private sector activity. Probably the

most important is the marked improvement in our international competitive position which has occurred in the last four most important is the marked improvement in our international competitive position which has occurred in the last four years, largely due to the impact of AIB and its ability to control the runaway type of inflation which we were experiencing in late 1975.

We have brought our domestic costs down at a time when the external value of the Canadian dollar has declined. We have seen a dramatic gain in jobs. Figures have been stated over and over again showing some 450,000 new jobs in the last 12 months. We are the only country in the industrialized world to have a year over year increase in new jobs since the OPEC crisis in 1973.

Some hon. Members: Question.

An hon. Member: This is a recording. Nobody believes you.

Mr. Martin: I am confident that the real growth this year will be in excess of the 1978 rate, which turned out to be about 3.4 per cent as confirmed by—

The Acting Speaker (Mr. Turner): Order, please. It being 9.45 p.m. it is my duty to interrupt the debate and put forthwith any questions necessary to conclude the proceedings now before the House, in accordance with section 9 of Standing Order 58.

All those in favour of the motion will please say yea.

Some hon. Members: Yea.

All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Turner): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Turner): Call in the members.

The House divided on the motion (Mr. Broadbent) which was negatived on the following division:

● (2150)

(*Division No. 36*)

YEAS

Messrs.

Allard
Blackburn
Broadbent
Douglas (Nanaimo-Cowichan-The Islands)
Firth
Gauthier (Roberval)
Jones
Knowles (Winnipeg North Centre)
Laprise
Leggatt
Orlikow
Peters
Rodriguez
Rondeau
Saltsman
Symes—16.

NAYS

Messrs.

Abbott
Alexander
Alkenbrack
Allmand
Anderson
Andras (Port Arthur)
Andre (Calgary Centre)
Andres (Lincoln)
Appolloni (Mrs.)
Baker (Gander-Twillingate)
Baker (Grenville-Carleton)
Baldwin
Balfour
Beatty
Béchard
Bégin (Miss)
Blais
Blaker
Blouin
Boulanger
Breau
Brisco
Buchanan
Bussières
Caccia
Cadieu
Cafik
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Campbell (LaSalle-Émard-Côte Saint-Paul)
Caron
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Clermont
Collenette
Comtois
Corbett
Corbin
Corriveau
Côté
Crombie
Crosbie (St. John's West)
Crosby (Halifax-East Hants)
Crouse
Cullen
Cyr
Danson
Darling
Daudlin
Dawson
De Bané
de Cotret
Demers
Dick
Dinsdale
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Duclos
Dupont
Dupras
Duquet
Ellis
Elzinga
Epp
Ethier
Faulkner
Fleming
Flynn
Forrestall
Foster
Fox
Francis
Fraser
Friesen
Gauthier (Ottawa-Vanier)
Gendron
Gillespie
Gillies
Goodale
Grafftey
Gray
Guay
Guilbault
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hare
Hargrave
Harquail
Hees
Herbert
Hnatyshyn
Holmes
Holt (Mrs.)
Hopkins
Howie
Huntington
Jamieson
Jarvis
Johnston (Westmount)
Joyal
Kaplan
Kempling
Knowles (Norfolk-Haldimand)
Lachance
Lajoie
Lalonde
Lambert (Edmonton West)
Lamontagne
Landers
Lang
Laniel
Lapointe
La Salle
Lavoie
Lawrence
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lee
Lefebvre
Lessard
Loiselle (Chambly)
Loiselle (Saint-Henri)
Lumley
MacDonald (Cardigan)
MacDonald (Egmont)
MacDonald (Miss) (Kingston and the Islands)
MacFarlane
MacGuigan
Maine
Malone
Marceau
Martin
Masniuk
Mazankowski
McCain
McCrossan
McGrath
McIsaac
McKenzie
McKinley
McRae
Milne
Munro (Esquimalt-Saanich)
Munro (Hamilton East)
Murta
Neil
Nicholson (Miss)
Nielsen
Oberle
O'Connell
Olivier
Ostiguy
Ouellet
Paproski
Parent
Parker
Patterson
Pearsall
Pelletier
Penner
Philbrook
Pinard
Portelance
Prud'homme
Railton
Raines
Reid
Ritchie
Roberts
Roche
Rompkey
Rooney
Roy (Timmins)
Roy (Laval)
Rynard
Sauvé (Mrs.)
Savard
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shymko
Siddon
Smith (Saint-Jean)
Stanfield
Stevens
Stewart (Marquette)
Stollery
Tessier
Towers
Trudel
Turner
Watson
Whiteway
Wise
Wood
Woolliams
Yanakis
Yewchuk
Young—200.

● (2210)

Mr. Speaker: I declare the motion lost. It being after ten o'clock this House stands adjourned until tomorrow at two o'clock.

At 10.14 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, February 28, 1979

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

SOCIAL INSURANCE

REQUEST FOR LEGISLATION LIMITING USE OF SOCIAL INSURANCE NUMBERS—MOTION UNDER S.O. 43

Mr. J. R. Ellis (Hastings): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity. I move, seconded by the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn):

That this House direct the Prime Minister and the Minister of Employment and Immigration to forthwith bring forward legislation limiting the use of social insurance numbers in light of the revelation by Geoff Johnson of the Ottawa *Citizen* today that the social insurance number is now required by the Ottawa Diaper Service before it will deliver.

Mr. Speaker: The introduction of such a motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NATIONAL UNITY

PQ PLATFORM—GOVERNMENT POSITION—MOTION UNDER S.O. 43

Mr. John C. Crosbie (St. John's West): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

In view of the exposure of the Minister of Justice (Mr. Lalonde) to association with a sovereign in the person of the Prime Minister (Mr. Trudeau) and his willingness to negotiate sovereignty association with the PQ on the "QT", I move, seconded by the hon. member for St. John's East (Mr. McGrath):

That the minister explain on motions which one-fifth of the PQ platform he will negotiate and which four-fifths he believes can be implemented within the federal system, and advise the House when he intends to commence implementation of the four-fifths and when he intends to proceed, as defined by the dictionary, to confer with the PQ with a view to compromise, or agreement, or to bring about the other one-fifth, or advise whether he will now obey Coughlin's law not to talk unless he can improve the silence.

Mr. Speaker: Order, please.

EMPLOYMENT

CUTBACK IN WOMEN'S "OUTREACH" PROGRAM—REQUEST FOR DELAY PENDING STUDY—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise under the provisions of Standing Order 43.

In view of the fact that a women's employment Outreach project in Toronto called "Times Change" has just been cut by 45 per cent, and since the cut is based on an administrative recommendation without the promised project assessment, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House instruct the Minister of Employment and Immigration to rescind the cutback until the government's own recommendation to carry out a full study, including a client survey, is completed.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

URBAN AFFAIRS

COMPLETION OF WALKWAY AT PORTAGE AND MAIN, WINNIPEG—MOTION UNDER S.O. 43

Mr. Jack Hare (St. Boniface): Mr. Speaker, I rise under the provisions of Standing Order 43.

In recognition of the completion in Winnipeg of the underground walkway and shopping complex at the corner of Portage and Main, and in recognition of the fact that this means pedestrians in downtown Winnipeg will no longer face the challenge of the icy blasts at Canada's coldest intersection, I move, seconded by the hon. member for Selkirk (Mr. Whiteway):

That this House recognize this great moment in the history of western Canada.

Mr. Speaker: Order, please.

S.O. 43

STATISTICS CANADA

REQUEST FOR INQUIRY INTO PROCEDURES AND EFFICIENCY—MOTION UNDER S.O. 43

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, I rise, pursuant to Standing Order 43, regarding the continuing ineptitude of Statistics Canada, recent particulars of which have been set out in the last two issues of the *Globe and Mail* regarding the occupational employment survey and ethnic group language and birthplace data.

Since the occupational employment survey, upon which Statistics Canada has reportedly spent $4 million, has been called "garbage" by an internal memo—it recalls the "1971 Census on Merchandising" which also cost millions and was never published—and keeping in mind that the latter was under a director who dealt in private data, and the former under a director who reportedly ran a car dealership out of his Statistics Canada office, I move, seconded by the hon. member for Northumberland-Durham (Mr. Lawrence):

That a full inquiry be made into Statistics Canada operations, priorities, procedures and efficiency.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CANADIAN WHEAT BOARD

USE OF PRODUCERS' MONEY TO PURCHASE GRAIN HOPPER CARS—MOTION UNDER S.O. 43

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of widespread evidence that the unprecedented decision by the Wheat Board to use producers' money to buy hopper cars does not meet with the wholehearted approval of all producers, I move, seconded by the hon. member for Marquette (Mr. Stewart):

That the minister in charge of the Wheat Board consult with producer groups as to the feasibility of a plebiscite of permit holders to determine if producers are agreeable to their money being used to purchase hopper cars.

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

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Speaker.]

• (1410)

REGIONAL ECONOMIC EXPANSION

CALL FOR DEVELOPMENT STRATEGY FOR ATLANTIC PROVINCES—MOTION UNDER S.O. 43

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

Whereas the latest economic indicators show that the disparity between Canadians living in the Atlantic provinces and the rest of Canada continues to widen, I would move, seconded by the hon. member for Fundy-Royal (Mr. Corbett):

That the Prime Minister be directed to convene a meeting of DREE and the premiers of all the Atlantic provinces to devise a regional development strategy to build a modern infrastructure and identify areas of comparable natural advantage, committing national resources to develop them.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

BILINGUALISM

REQUEST FOR RE-ESTABLISHMENT OF BILINGUAL BONUS—MOTION UNDER S.O. 43

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

In view of the fact that the government has decided to remove the bilingual bonus and that accordingly the salary of some employees will decrease, I move, seconded by the hon. member for Rimouski (Mr. Allard):

That the House urge the government to reconsider its decision to avoid taking a backward step with its bilingualism policy.

Mr. Speaker: Order. The House has heard the motion of the hon. member. Under the provisions of Standing Order 43, this motion cannot be presented for consideration without unanimous consent? Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[*English*]

CONSUMER AFFAIRS

PROPOSED INCREASE IN BEER PRICES IN ONTARIO—MOTION UNDER S.O. 43

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, under the provisions of Standing Order 43, I ask leave to move the following motion.

In view of the announcement yesterday that the breweries have asked the Liquor Control Board of Ontario for permission to make a further increase in beer prices of 50 cents a case, following an increase in beer prices just last April, and in view of a statement made by the Centre for the Study of Inflation and Productivity that the profits of breweries in the first three quarters of 1978 were up by some 33 per cent over the same period in 1977, I ask leave to move, seconded by the hon. member for Winnipeg North (Mr. Orlikow):

That the Minister of Consumer and Corporate Affairs be instructed to urge his provincial counterpart in the government of Ontario to take action to roll back these price increases.

Mr. Speaker: Introduction of such a motion for debate at this time would require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

TRADE

SUGGESTED SPECIAL STATUS FOR MARITIMES' MANUFACTURED GOODS AND EXPORTS—MOTION UNDER S.O. 43

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, I rise under the provisions of Standing Order 43.

As GATT negotiations are bogging down over the apparent difficulty encountered by Canada and the United States in resolving the problems of non-tariff and countervailing duties, and since resulting delay is blocking progress in areas of manufacturing development in the maritime region, I ask leave to move, seconded by the hon. member for York-Sunbury (Mr. Howie):

That this House instruct the minister responsible for DREE to propose to the Minister of Industry, Trade and Commerce a regionalization program whereby products manufactured and exported from the less developed maritime region would receive special status.

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

Some hon. Members: Agreed.

Some hon. Members: No.

NATURAL RESOURCES

NEED FOR UNIMPEDED ACCESS ACROSS ALASKA-CANADA BORDER—MOTION UNDER S.O. 43

Mr. Thomas Siddon (Burnaby-Richmond-Delta): Mr. Speaker, my motion under the provisions of Standing Order 43 does, indeed, concern a matter of urgent and pressing necessity.

In view of recent actions by the United States government which appear to limit entry to U.S. lands adjacent or close to the Alaska-Canada border, especially in the Panhandle region, and in view of the fact that access to these lands is essential for resource exploration in northern British Columbia and the Yukon, I ask leave to move, seconded by the hon. member for Yukon (Mr. Nielsen):

That the Government of Canada investigate the effect of the U.S. land withdrawals on mineral and other resource development on affected Canadian lands and that the government move promptly to preserve the right of unimpeded access through the Alaska border which were granted to Canada in 1825 under the Russo-British Treaty and later reconfirmed in 1903 under the Alaska Boundary Treaty between Canada and the United States.

Mr. Speaker: Such a motion for debate at this time would require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

● (1415)

ORAL QUESTION PERIOD

[*English*]

CONSUMER AFFAIRS

PRICE MONITORING TO PROTECT CONSUMERS—EFFECT ON INFLATION OF DEVALUED DOLLAR

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. It arises out of his rather rambling speech yesterday in which he said that he was fed up and that everyone in the government wants to do something to help consumers. The minister then spoke about putting in place further monitoring devices.

Does he accept the CSIP report issued this month which shows that prices have gone up one-third on account of the diving dollar alone in the past two years? Does he accept that last year, rather than having 9 per cent inflation we would have had 6 per cent inflation if it had not been for the government's policy of having a cheap dollar?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, when I spoke, I was referring to the remarks made by the President of the Board of Economic Development Ministers when he said that the government was considering improvements to our price monitoring system.

Included in the alternatives we were considering was the strengthening of CSIP. But, yes, I agree that the difference in our dollar has meant increases in certain food products, especially those imported from the United States. However, as the Minister of Finance and others have said—and I support them—this is a measure which cuts both ways. While we have higher consumer prices in some instances, we also have the creation of many, many jobs.

Mr. Stevens: Mr. Speaker, if the minister agrees that the fall in the dollar to 83 cents has had an effect on prices, including beef prices, vegetable prices and leather goods' prices, would he indicate whether he would like to see the dollar at a somewhat higher level? It could be accomplished through government action. Does the minister agree with, or would he contradict the statement given to the country by the Parliamentary Secretary to the Minister of Employment and Immigration that he would like to see a 75-cent dollar, which would put us into a three-quarters, one-quarter type of situation as far as the economy is concerned?

Mr. Allmand: Mr. Speaker, I agree with the policy announced by the Minister of Finance which on balance is improving economic conditions in this country.

Some hon. Members: Hear, hear!

Mr. Stevens: Mr. Speaker, the minister obviously does not even understand the policies of the Minister of Finance, if we compare his last statement with his first answer. In his speech yesterday the minister stated that the government will not "use its control of monetary policy to underwrite such inflationary increases". Those were the minister's final words.

Does the minister realize that between February 15, 1978, and February 15 of this year, M-3 growth in this country went up 20 per cent, and does he not feel that that is underwriting inflationary pressures?

Mr. Allmand: Mr. Speaker, I think the hon. member is misinterpreting my remarks. Perhaps I should give another speech to enlighten him on what I really meant.

Some hon. Members: Oh, oh!

INCREASES IN FOOD PRICES—REQUEST FOR INVESTIGATION INTO PROFITEERING

Mr. James A. McGrath (St. John's East): Mr. Speaker, I, too, would like to put a question to the Minister of Consumer and Corporate Affairs, who is emerging as the Howard Beale of the cabinet.

Yesterday, when he said he was fed up and that he was not going to take it any more, he indicated that the government, among other things, was taking steps to increase our food supply. On Monday, when he was asked a question about increases in the price of chicken—substantial increases; over 34 per cent in a year—the minister said that was the result of increased consumer demand, implying a short supply. The same day, the Minister of Agriculture said that there was a four million pound surplus of chicken on hand.

In view of the fact that the minister has once again been contradicted by a minister who is obviously better informed, will he now use the substantial powers he already has to investigate increases in chicken prices to make sure there is no price-gouging or profiteering?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): I will be pleased to do that, Mr. Speaker; but the turkey marketing board has already increased its quotas for production in 1979. It is too early yet to see what the effect of this will be on prices, but it is our belief that that increase in quotas will lead to a moderation of prices.

● (1420)

It is the same thing with other products under marketing boards. I have not reread the remarks of the Minister of Agriculture, but I am sure we are saying the same thing on this. Nevertheless, I am continually looking into price increases, and if there is anything exceptional with respect to the increases in the price of products mentioned by the hon. member, we will do what we can.

Mr. McGrath: Mr. Speaker, I am sorry the old gobbler, the Minister of Agriculture, is not here to hear his colleague not make a distinction between a chicken and a turkey.

Some hon. Members: Oh, oh!

Mr. McGrath: I want to ask the minister, now that we know how well informed he is, the following question. Yesterday he said that the government, among other things, was about to bring in amendments to the combines act. He indicated in the same speech that the government is not looking for rollback powers.

I want to ask the minister two questions. First of all, what additional powers is he looking for under the combines act that he does not already have and, if he can satisfy us on that question, can he tell us why it has taken him this long to bring in these amendments?

Mr. Allmand: As the hon. member knows, in the last session of parliament we had a bill before the House, Bill C-13. We had a lot of discussion on that bill with consumer groups, business groups, professionals, and so on, and I considered some amendments. I proposed and will bring forward amendments to Bill C-13. That has already been approved in cabinet and the bill as amended should be brought before the House very shortly.

INCREASES IN PRICE OF CHICKEN—SUPPLY POSITION RESPECTING POULTRY

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs, but before that I should say that the Conservatives had a chance yesterday to vote for a measure that would have

given the government power to order rollbacks, and yet they opposed it.

Some hon. Members: Oh, oh!

Mr. Broadbent: You guys live with your conscience!

I should like to ask the minister if he is saying to the House, now, that the Minister of Agriculture was wrong, or is he accepting his correction? The Minister of Agriculture said there "are some four million pounds more poultry in storage than a year ago." He said there is no supply problem. The minister said yesterday that the reason we have these astronomical increases in the price of chicken is that "demand is greater than supply". Will he clarify that? Is he accepting the correction of the Minister of Agriculture and, if so, how can he justify the very high price of chicken that consumers have to pay?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): The hon. member and his party had a chance to vote for an agency that had rollback powers in 1975, but they voted against it at that time.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Allmand: Now they have put a gimmick before the Canadian people and they are flip-flopping on the particular subject.

I have not had a chance to analyse the answer given by the Minister of Agriculture the other day, but it is very likely we were talking about different periods, because different marketing boards which come under the federal level of jurisdiction and others which come under provincial jurisdiction have already increased supply quotas for 1979, and consequently there was a recognition that more supply was needed. But it is too early at this point in time in 1979 to know the effect of those increased supplies already agreed upon.

I might remind the hon. member that the government has, as well, approved an increase in the beef quota of seven million pounds for 1979.

Mr. Broadbent: Mr. Speaker, we voted against the measure in 1975 because it would only control prices and do nothing—

Some hon. Members: Oh, oh!

An hon. Member: Go back and start again.

Mr. Broadbent: It would only control wages and do nothing about prices. The minister accepts the Tory applause because they voted with the government to hold down wages.

I should like to ask the minister the following question. Considering that yesterday he said he was fed up with rising prices, and moved us almost to tears, but he said at the same time that the only thing he was prepared to do about it was to bring in some changes to the Competition Act, I ask him in all seriousness—considering that, at best, changes in the Competition Act might have a marginal effect on prices two years down the road—is the minister saying that the government has no plans to deal with rising prices in 1979?

Mr. Allmand: Yesterday, we mentioned at least three different approaches to the problem. The President of the Board of Economic Development Ministers referred to increased powers for a price monitoring agency but without rollback powers. I stated that we were going to bring in Competition Act reforms and I mentioned measures to deal with supply problems which affect prices with respect to supply and demand in the marketplace.

Mr. Lawrence: You've been talking about it for ten years.

• (1425)

Mr. Allmand: Mr. Speaker, the opposition likes to suggest that these complex problems can be dealt with in simplistic ways.

Some hon. Members: Oh, oh!

Mr. Allmand: I tell them—

Mr. Fraser: Ten years.

Mr. Allmand: I tell them that they cannot be dealt with in simplistic ways.

Mr. Fraser: Ten years.

Mr. Allmand: I will keep the floor, Mr. Speaker, until the opposition—

Mr. Fraser: Ten years you have been playing around with it.

Mr. Allmand: The hon. member—

Mr. Fraser: Ten years.

Mr. Speaker: Order, please.

Mr. Fraser: Ten years.

Mr. Speaker: The hon. member for Oshawa-Whitby.

Mr. Allmand: Mr. Speaker, may I have an opportunity to finish answering the question?

Mr. Fraser: You have had ten years.

Mr. Allmand: The hon. member's party has been in power in several provinces for more than ten years and they have not solved any problems yet.

Mr. Fraser: It is your fault, Warren.

Mr. Speaker: A final supplementary; the hon. member for Oshawa-Whitby.

Mr. Broadbent: Mr. Speaker, I listened to the minister with care. He talked about increasing supply and improving competition. He will have the complete support of my party on

serious measures. We agree that in the final analysis, long-range solutions are required.

I repeat my serious question to him: for consumers who are facing rising prices now, in 1979, will the government not do anything more this year to bring down the constant rate of escalation of prices?

Mr. Allmand: Mr. Speaker, as I have answered on previous occasions, we are looking at different alternatives to deal with the short-term problem. But the prediction for this year is that there will be a moderation in food prices as the year goes on. The prediction for 1979 is a rate of inflation, with the food index, of between 8 per cent and 10 per cent, compared with 14 per cent last year.

Mr. McGrath: You said 14 per cent in Winnipeg last week.

Mr. Allmand: The problem is with beef and with imported vegetables and fruits.

Mr. Baker (Grenville-Carleton): You are the problem.

Mr. Allmand: There is no simple solution with imported food and with the beef cycle.

An hon. Member: The problem is with you.

* * *

[*Translation*]

EXCISE TAX

POSSIBILITY OF ABOLISHING TAX ON JEWELLERY—MINISTER'S POSITION

Mr. Eudore Allard (Rimouski): Mr. Speaker, my question is for the Minister of Finance. Since the Canadian Jewellers Association has recently submitted a report to the Department of Finance requesting the abolition of excise taxes on jewellery as a means of discouraging the illegal jewellery trade which it estimates at $230 million a year and considering that this industry, which employs some 19,000 workers, is largely Canadian-owned, can the Minister inform this House if he has any intention of doing something in this regard?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, this measure is of a budgetary nature. I am taking note of the hon. member's recommendations. We have indeed received such a request from Canadian jewellers and this will be considered within the budgetary proposals for the next budget.

Mr. Allard: Mr. Speaker, a supplementary question. I would be very much tempted at this time to ask the minister when he expects to table his next budget.

Mr. Chrétien: Mr. Speaker, when the state of the economy makes it necessary.

Mr. Allard: Mr. Speaker, now that it has been proved that some sectors suffer more than others from the burden of the manufacturer's tax, whether it be because of fraud as in the case of jewellers or because of excessive competition in others, would the minister be willing to recommend selective excise tax cuts similar to the provincial sales tax in Quebec which, as we all know, had positive results which at times were excellent?

Mr. Chrétien: First of all, Mr. Speaker, I should like to point out to the hon. member that selective cuts in the federal sales tax were made way before the provincial cuts. Taxes on clothing, textiles and footwear were removed in 1973; last year, the Quebec government merely imitated what the federal government had done a few years before. As for other suggestions similar to those of the hon. member, I say to him that they will be looked into when the budget is being prepared.

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[*English*]

AIR TRANSPORT

RATIONALIZATION OF REGIONAL AIR CARRIERS—POSSIBLE MERGER OF QUEBECAIR AND NORDAIR

Mr. Geoff Scott (Hamilton-Wentworth): Mr. Speaker, I have a question for the Minister of Transport. Since we on this side are awaiting eagerly the promised policy statement on the rationalization of regional air carriers, could the minister say whether he is trying for one regional airline from Newfoundland through to the Great Lakes and, indeed, beyond to Winnipeg?

Can the minister see, as an interim measure, the merger of Quebecair and Nordair headquartered in Montreal with Quebecair in control, as is predicted widely in the airline industry?

● (1430)

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the objectives we have in mind are to have a stronger position for the regionals and the regional operation, but this need not at this point in time create any concern at all on the part of any of the employees or managements in the regional.

I see the developments as taking place, whatever they may be, over time and in a way which takes into full account the concerns of the people involved who are doing a very good job with the operations at the moment. I see, in short, a time for strengthening the regionals' operation and, therefore, also some significant time in finding the right kind of combinations to produce these stronger results. It is not a matter one can dictate easily in any way because of the fact that many different investors, many different interests and many possible combinations do exist, and the steps to get to the final destination of stronger regional operation in the eastern half of the country are, indeed, many and optional.

Mr. Scott (Hamilton-Wentworth): Mr. Speaker, I realize it is not an easy matter to deal with, but I still do not know how

close we now are to a policy statement on the rationalization of airlines.

I have a copy of a petition signed by 620 Nordair employees and delivered to the minister last Friday, urging him to leave Nordair under Air Canada's control for an indefinite period. What is the minister's response to the petition, and does it leave open the possibility that Nordair will not be re-privatized within the time-frame of a year; or if Air Canada cannot find a satisfactory buyer, could this leave open the possibility of the government setting up a separate Crown corporation to rationalize the airline?

Mr. Lang: Mr. Speaker, I would be very interested to know whether, in putting the question that way, the hon. member is stating his view that it would be desirable to leave Nordair—

An hon. Member: Give us your view.

Mr. Lang: —in the ownership of Air Canada, because I heard the leader of his party—

An hon. Member: Answer the question.

Mr. Lang: —make a clearcut demand to go in the opposite direction. I would like to know whether, once again, we are hearing two views here from the Conservative party, which is not unusual.

I was really directing my remarks to the petition when I emphasized that I believe, in whatever combination or operation may emerge, the employees of Nordair and the management of Nordair can be sure their good job and their effective operation of that airline will be recognized. They need have no concern about that, whatever the combinations are that emerge. It will develop in a relatively short period of time, I am satisfied, but I think the hon. member will appreciate that it is difficult to forecast the precise next step or result when so many combinations of investment interest are involved, as well as the interests of the various employees and airlines.

An hon. Member: Another broken promise.

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THE CONSTITUTION

GOVERNMENT POLICY ON CONSTITUTIONAL AMENDMENTS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I wish to direct my question to the Minister of Justice—and he has disappeared.

An hon. Member: That is what happened to justice; it disappeared, too.

Mr. McGrath: He is out getting a fifth.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Mr. Speaker, that is more applause than the Minister of Justice gets anywhere else at any time.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: I wish to ask him this. As the custodian of the constitutional rights of Canadians by virtue of his position, and also by the designation of the Prime Minister, I would ask him when the government changed its mind regarding the bringing in of constitutional amendments and the need of a constitutional amendment being secured and the constitution returned to Canada by the end of 1978. At what time did the government change its mind?

[*Translation*]

Hon. Marc Lalonde (Minister of Justice): Mr. Speaker, the government has not changed its decision in that regard; those were the objectives the government set for itself at various times; like any government, at times we cannot achieve them since we have to proceed by way of consultation with the provinces, and we know those do not always go as fast as we would like them to.

[*English*]

Mr. Diefenbaker: Mr. Speaker, I ask him that question simply to ascertain whether the Prime Minister was speaking for the Government of Canada the other day in the city of Toronto when he was on a voyage for the discovery of votes which he ascertained were not there.

Some hon. Members: Oh, oh!

An hon. Member: He has not come back since.

Mr. Diefenbaker: At that time, the Prime Minister made this statement about the Queen, "She is good and she is nice, but her position is one of inherited privilege, something that democrats cringe at". He went on to say, "The Queen needs to be updated".

Has the government a policy of updating the Queen?

Some hon. Members: Oh, oh!

Mr. Diefenbaker: What is the nature of that updating? Surely parliament should know because, after all, the Prime Minister said at one time he was going to abolish the Queen, and at another time that she was no good to Canada.

Some hon. Members: Oh, oh!

An hon. Member: That is not true.

Some hon. Members: Oh, oh!

An hon. Member: You have no respect.

Mr. Diefenbaker: Mr. Speaker, it is music to hear the annoyance expressed when the truth is told. I ask, what is the plan of the government to update the Queen in order to make her modern, more democratic and less authoritarian?

An hon. Member: Leave the Queen alone; we love her.

Some hon. Members: Hear, hear!

Mr. Lalonde: Mr. Speaker, the words of the right hon. member are a disgrace, and he must have been quoting from the Toronto *Sun*.

Some hon. Members: Oh, oh!

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

Mr. Diefenbaker: Mr. Speaker, I rise on a question—

Mr. Speaker: Order, please.

Mr. Diefenbaker: Mr. Speaker, I rise on a question of privilege.

Mr. Speaker: Order, please. I will hear the right hon. member at three o'clock. I have recognized the hon. member for Windsor West.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: In all the years I have been here—

Mr. Speaker: Order, please. I have heard the right hon. member rise on a question of privilege. I will follow what has been our practice now for almost three years, by taking the question of privilege at three o'clock. I recognize the hon. member for Windsor West.

Mr. Diefenbaker: Mr. Speaker—

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TRANSPORT

POWERS AND DUTIES OF CTC IN CONNECTION WITH ENVIRONMENTAL IMPACT OF RAILWAY FACILITIES

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister of Transport. I would ask whether the government will now add provisions to Bill C-20 on the powers and duties of the Canadian Transport Commission in order to set limits on the commission's present authority to rehear the same matter and to confirm that it can take into account the full environmental impact of the building of railway facilities, and generally to ensure a fair balance between the railway companies and private citizens in terms of real ability to have access to all procedures connected with the commission.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I have heard what I take to be a representation from the hon. member suggesting that we make that kind of provision in Bill C-20. I will say to the hon. member that I would be prepared to give consideration to that kind of issue and that type of approach when the bill is in committee.

LEWVAN, SASKATCHEWAN, RAIL LINE—REPORT OF PRAC

Mr. Arnold Malone (Battle River): Mr. Speaker, my question is to the Minister of Transport. As the minister knows, the Prairie Rail Action Committee has tabled its report in the natural flow to the Canadian Transport Commission and then to the minister.

Under what logical or political reason did the minister singularly pick out the Lewvan line in Saskatchewan, in the riding of the hon. member for Assiniboia, and unilaterally take that line and place it into the basic network without consideration of any of the other lines?

An hon. Member: It is already in the basic network.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I think the hon. member has confirmed what I said the other day, that it would help in criticizing the various reports, whether they be the PRAC report or the Hall commission report, if members of the Tory and the New Democratic parties would read one or both of these reports.

If the hon. member for Battle River had read the PRAC report or the Hall commission report, he would have found that the Lewvan line in fact was recommended for the permanent network by the Hall commission and was transfered to the permanent network by the Hall commission, and it was in rather exceptional circumstances that on examining that line and some others, the Prairie Rail Action Committee indicated it felt we should reverse that action.

● (1440)

I presume that in commending the Hall commission report, as hon. members opposite have, they commend what we did in putting the Lewvan line into the permanent network and, therefore, should commend us in saying, as we did the other day, that we do not intend to change that and it remains in the permanent line. It is not by way of exception; it is continuing what the Hall commission recommended.

Mr. Malone: Mr. Speaker, the Minister of Transport has just made this great chamber into a house of ill-rebuke. The minister, knowing very well that the position taken by the Prairie Rail Action Committee is a more recent report than the Hall commission report, has unilaterally taken that line and put it back into the basic network.

Would the minister give this House the criteria, apart from the Hall decision, as to what lines he intends to put back in, and will those criteria apply to other railway lines or is this merely to be used as a pre-campaign gimmick to give lines back to any member on that side of the House?

Mr. Lang: Mr. Speaker, the hon. member for Battle River not only has not read the report; he does not understand the simple answer which I gave him. That very simple answer is that the Lewvan line was put into the permanent network after the Hall commission report and in accordance with the recommendations of the Hall commission report. No one but the government, by order in council, could in any way remove that line from the permanent network. Certainly, the Prairie Rail Action Committee could not.

The Prairie Rail Action Committee made a recommendation which suggested that we remove it and open up the question of the future of that line again. The other day we said no, we will not; we are standing on the Hall commission recommendation and our action in making that line part of the permanent network.

I commend to the hon. member for Battle River the reading of one or both of those reports. He owes it to his constituents so long as he purports to serve them.

Mr. Hnatyshyn: Liberal selectivity.

Mr. Paproski: Liberal patronage.

Mr. Clark: Patronage by any other name—

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EXTERNAL AFFAIRS

GOVERNMENT'S INSTRUCTIONS TO CANADIAN DELEGATION AT BELGRADE CONFERENCE

Mr. Yuri Shymko (Parkdale): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. In view of the upcoming Madrid review conference of the Helsinki Accords, is it true that the head of the Canadian delegation in Belgrade was instructed by the government not to officially protest the arrest of individual members of the Helsinki public monitoring groups in the Soviet Union by naming violators and victims, as was done by the U.S. delegation and, if so, why?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I thank the hon. member for giving me notice that he intended to ask this question, although it was only one hour ago. As I told him at that time, I would prefer to take the question as notice and give the hon. member a more detailed answer and provide the necessary documentation with regard to the Belgrade conference at a later date.

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COMMUNICATIONS

ROLE OF CABLE TV OPERATORS IN SATELLITE EARTH STATIONS' PROGRAM

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, my question is addressed to the Minister of Communications. Yesterday, the minister dealt another blow to public development and control over our broadcasting system by announcing that cable operators would be able to own satellite earth stations in order to set up a national cable network.

In view of the minister's own admission, in her speech of February 23, that cable TV has contributed to the reduction of domestically-produced programming, and the fact that this announcement was made prior to the release of the Clyne report on the future broadcasting, can the minister explain why she bowed so quickly to the cable operators before a full and public discussion could take place?

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, the matter of the earth stations is outside the mandate of the Clyne commission, as I stated in the House the other day.

As for the impact of the policy I announced yesterday on the Canadian telecommunications system, I am afraid the hon. member does not realize that this policy will result in better and more services in the remote and rural areas, which is one of the main objectives of our policies. Also, the ownership of earth stations in the hands of the broadcasters or cable operators will result, I am sure, in diminution of the cost of those services to the consumers, and I would expect that the hon. member would be very much in favour of that.

Mr. Symes: Mr. Speaker, in view of the fact that one of the mandates of the Clyne commission was to discuss the feasibility of paid TV, and that the main rationale which cable operators give for having a national network is to introduce pay television, I fail to see the minister's argument that it falls outside the jurisdiction of that commission.

However, one of the other things which the minister states in her press release is that this new policy will encourage Canadian manufacture of earth stations and that there will be a large industrial benefit for Canada. In view of the reports that the U.S. manufacturers of earth stations will have saturated their domestic market within a year or two, I would like to know what guarantees the minister can give us that those American manufacturers will not, in turn, dump their products on the Canadian market and that the private cable operators will, therefore, purchase the American earth stations which are cheaper than the product of the Canadian industry?

Mrs. Sauvé: Mr. Speaker, we have been working very closely with manufacturers of earth stations in order to let them know in advance what would be the technical requirements for those earth stations, and we in turn plan to approve technical standards so that the Canadian manufacturers will be well aware of the kind of requirements that we will need for those earth stations. They are preparing to offer that product to cable operators, broadcasters and other telecommunicators who might be needing them.

With regard to the possibility of American manufacturers dumping on the Canadian market, I believe that such an occurrence is very remote since our requirements do not coincide with the requirements of the United States. We are hopeful that Canadian manufacturers will take advantage of this new policy in order to develop the product. As a matter of fact, in advance of that policy some telecommunicators have been placing orders with Canadian companies, and Canadian companies have been able to bid quite competitively with American companies.

Oral Questions

HOUSE OF COMMONS

REASON FOR ABSENCE OF PRIME MINISTER

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is for the acting government House leader and it arises from the very real concern that some of us in this House have for the health of the Prime Minister, who has not been in the House for over a week. Where is the Prime Minister? Is he ill?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, the Prime Minister is at his home. He cannot be in the House today, but I hope he will be here tomorrow.

Mr. Paproski: Shall we send him a "get well" card?

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PENITENTIARIES

FUTURE OF WILLIAM HEAD INSTITUTION, VANCOUVER ISLAND

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is for the Solicitor General. Would he be able to comment on reports which are circulating around southern Vancouver Island to the effect that the William Head penal institution is to be phased out by the government within the next two or three years?

Hon. J.-J. Blais (Solicitor General): Mr. Speaker, as I announced in Kamloops on December 14, the only institution that we are planning to close in British Columbia is the British Columbia penitentiary.

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HUMAN RIGHTS ACT

APPLICATION TO FEDERAL LEGISLATION AND DEPARTMENTS

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Justice, who will have heard yesterday the curious view of his colleague, the Minister of Employment and Immigration, that protecting human rights is a waste of money if it applies to federal agencies which already have an appeal procedure.

The minister will know that there are a number of federal agencies which have appeal procedures: the Canadian Citizenship Act, the Customs Act, the Divorce Act, the Excise Tax Act, the Expropriation Act, the Pension Benefits Standards Act—it is a long, long list. I would like to ask the minister, is it the policy of the Government of Canada that the Human Rights Act does not apply to any federal legislation or any federal department where there is already an existing appeal procedure? Is that the position, or is there a special case for the Department of Immigration?

Hon. Marc Lalonde (Minister of Justice): Mr. Speaker, it is not a matter of policy; it is a matter of law. The question which arises in that particular case is whether or not there is a conflict as to interpretation under the Immigration Act and under the Canadian Human Rights Act, and that is all that is at question.

[Mrs. Sauvé.]

Mr. Clark: Mr. Speaker, yesterday the House leader of my party, in a statement which I am sure is supported by other parties in this House, indicated that there would be agreement on the part of this party and of other parties in the House of Commons were the Minister of Justice to seek the authority of parliament to change the practice and to table in this House of Commons the legal opinion that has been given in relation to the application of the Human Rights Act to the Department of Immigration, where this case has already arisen, or to other cases where there are appeal procedures, and if there is any logic to the government's position it might apply later on.

This House has a right to know if an act which it passed in good faith is going to be consistently frustrated by the Government of Canada. Since the minister can expect that he would get that agreement from the House of Commons, will he seek the agreement to take the extraordinary procedure of tabling the legal opinion of the Government of Canada so we will know what future assaults there might be upon the Human Rights Act?

● (1450)

Mr. Lalonde: Mr. Speaker, there is not one act at stake, but two acts that have been passed by this parliament. The first one is the Immigration Act and the second is the Human Rights Act. Both acts were proposed by this government, they have been considered by parliament and parliamentary committees and adopted by parliament.

The matter is now before the courts. The arguments will be made before the courts, and the courts will decide what is the correct interpretation.

Mr. Clark: Mr. Speaker, the minister will surely know that the language in the Human Rights Act, in its second section stating the purpose of the act, says that it is to extend the present laws of Canada. He will also know that in that legislation there is one explicit exclusion and that relates to the Indian Act. Clearly, the purpose of this legislation was to apply to all other federal agencies. Clearly, the Minister of Employment and Immigration is arguing that his department is exceptional because there are appeal procedures.

We need to know whether that argument which he put forward is being put forward by other departments that also have appeal procedures, which are legion. We need to know the legal position of the Government of Canada and we need to know the policy of the Government of Canada. Will the Minister of Justice stop hiding the policy position of the Government of Canada, and will he seek the agreement of this House of Commons to make clear the legal position upon which, presumably, this most extraordinary attempt has been based by the Minister of Employment and Immigration to undercut and frustrate the Human Rights Act?

Mr. Lalonde: Mr. Speaker, there is a very good reason why there is a rule of this House that legal opinions of the Department of Justice are not tabled. That rule has been followed for the last 112 years, and I do not intend to break it. What the hon. member is doing is trying to argue the case which should be argued before the courts.

Some hon. Members: Oh, oh!

An hon. Member: That is the end of the Human Rights Act.

* * *

AGRICULTURE

FINANCIAL ASSISTANCE FOR FARMERS' LOSSES BECAUSE OF HEAVY SNOWFALLS

Mr. Leonard Hopkins (Renfrew North-Nipissing East): Mr. Speaker, I have a question for the amiable Minister of Agriculture. Ever since many farmers and feed mill operators in the upper Ottawa Valley area of eastern Ontario and western Quebec have lost a large number of valuable buildings which collapsed as a result of unusually heavy snowfalls, my colleague the hon. member for Pontiac and I have received many representations from throughout the farm community for assistance.

An hon. Member: Order.

Mr. Speaker: Order, please. If the hon. member has his question, will he put it forth, please.

Mr. Hopkins: Because there is no insurance to cover such losses, and because requests for such assistance must come to the federal government through the provinces, has the minister received any request from either the Ontario or Quebec governments for shared financial assistance and, if so, what has been his approach?

Hon. E. F. Whelan (Minister of Agriculture): Not to my knowledge, Mr. Speaker, but I will check.

* * *

LOTO CANADA

RECOMMENDATION THAT CANCELLATION CLAUSES BE INCLUDED IN GENERAL INSTRUMENTS' CONTRACTS

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I have a question for the Minister of Supply and Services relating to the Loto Select disaster.

Did the minister's department, when they were serving as consultants to Loto Canada, recommend the inclusion of a cancellation clause in the multimillion dollar contracts which were signed with General Instruments? If such a recommendation was made, was it followed by Loto Canada?

Hon. Pierre De Bané (Minister of Supply and Services): Mr. Speaker, yes, the recommendation was made by DSS to the management of Loto Canada.

Mr. Beatty: Mr. Speaker, would the minister answer the last half of the question? Was that advice accepted by Loto Canada?

Mr. De Bané: No, Mr. Speaker, it was not accepted by the management of Loto Canada.

Some hon. Members: Oh, oh!

Mr. De Bané: And the reason for it, of course, can be given by the management of Loto Canada and the minister who reports to the House and who may be the only minister who cares for amateur sport.

An hon. Member: She is certainly amateur.

* * *

COMMUNICATIONS

EARTH STATION SATELLITE POLICY—CLYNE COMMITTEE REPORT

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Minister of Communications in regard to her press release on earth station satellite policy. I was interested in the answer she gave to the hon. member for Sault Ste. Marie.

Since the Clyne commission was mandated to give a report restructuring telecommunications in the whole system, I would like the minister to point out in the press release commissioning the Clyne commission just where the earth station satellite policy was accepted. Also, in view of the fact that the Clyne commission was supposed to report by the end of the month, could the minister, when answering the question, tell us when we can expect the Clyne commission report?

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, the Clyne committee report will be on schedule. My understanding is that the committee has now finished its work and that the recommendations have been signed by all members of the committee. Apart from some editing having to take place, the report will be ready and will be given to me by the deadline I was expecting.

As for the hon. member's question about whether this was part of the mandate, the mandate of that committee was to give me an idea, among other things, of the structure of telecommunications of the future. Of course, earth stations belong to that structure. The matter of the earth stations has been under review for over a year, and it is important at this particular time to introduce the necessary flexibility into the system and also to maximize the use of the satellite. Those are principles which have been already affirmed by me, and therefore I proceeded with the change in the policy on ownership of earth stations despite the fact that the Clyne report has not yet been given to me.

Mr. Nowlan: Mr. Speaker, in view of the fact that the minister's statement, in effect, indicates a new policy which is supposed to be a new revolution in terms of technology to enable cable operators and/or broadcasters to take Canadian signals from Canadian stations thereby, in effect giving Canadians more opportunity to see the CBC, the CTV Global and/or proceedings in this House of Commons, why in the name of technology and/or science and/or bureaucracy did it take two years of study, not one year and/or the ten years that we have had of Telesat policy?

At one time, ten years ago, we were the leader, and because of the moratorium on any new initiatives we are now slipping behind and are trying to catch up.

Mrs. Sauvé: Mr. Speaker, the review did not last two years, as the hon. member has suggested. I would like to look at the date on which I made the announcement in the *Canada Gazette*.

An hon. Member: November, 1977.

Mrs. Sauvé: It was 1977. At any rate, I took the necessary time in order to have that review carried out cautiously. The reason this policy was not set up until today is, of course, the fact that technological revolution and progress only now allows us to be freer with the matter of earth stations. The new technology allows transmission on a new band, which is the 12 and 14 gigahertz, and therefore the earth stations are less complicated than those which are needed in the 4 and 6 gigahertz range. It is really the progress of technology that allows for a change in policy. So we must take advantage of technological progress in order to expand the service, make it cheaper and make the whole operation more flexible.

* * *

TRADE

GATT NEGOTIATIONS ON NON-TARIFF TRADE BARRIERS

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, in the absence of the Minister of Industry Trade and Commerce I direct my question to the Minister of Regional Economic Expansion. Can the minister indicate the progress with the United States in the GATT negotiations with relation to the area of non-tariff trade barriers?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, I am not at this point in a position to report to the hon. gentleman on the progress achieved in those negotiations.

TRANSPORT

PROPOSED SHERBROOK-McGREGOR OVERPASS IN WINNIPEG—COMMITMENT OF FUNDS FOR RAILWAY RELOCATION STUDY

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Transport? In view of statements made in Winnipeg a few days ago by his colleague, the Minister of State for Federal-Provincial Relations, which were favourable to a government commitment of money for a railway relocation study in Winnipeg rather than the building of the Sherbrook-McGregor overpass, can the Minister of Transport say whether he will shortly be announcing a commitment of funds for that survey?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I have indicated that if the province agrees that the federal funds contained in the urban transportation assistance program be used for such a study, we would certainly go along with that. I think, in the interests of the total long-term future of Winnipeg, that does sound like a very good idea. I had not wanted to interfere in that essentially local decision, but I certainly support the further study of it and I would be glad to go that way.

* * *

NATIONAL REVENUE

CHILD TAX CREDIT FORMS

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is for the Minister of National Revenue. It has to do with the means test form that he prepared for Canadian mothers' use respecting the child tax credit.

The minister, in answer to questions from this side of the House last week, repeatedly said that the form was really simple and very easy to fill out. If that is the case, why is the Canadian government offering local groups large sums of money to help mothers fill in these forms?

• (1500)

Hon. A. C. Abbott (Minister of National Revenue and Minister of State (Small Business)): Mr. Speaker, the hon. member is putting words in my mouth. I said that for a first-time filer, naturally it is a complicated process. Thanks to the Minister of National Health and Welfare, a good many volunteers, and the offices of members on this side, mothers are finding it quite possible, in the overwhelming proportion of cases, to fill out this form, which is not a means test as the hon. member so pejoratively described it.

[*Translation*]

WELFARE

REQUEST FOR PRECISION RESPECTING CHILD TAX CREDIT

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I wish to direct my question to the Minister of National Health and Welfare.

I should like to know, in view of the seriousness of the situation, whether she has made specific representations to the Minister of National Revenue to clarify and simplify these matters. If she feels that everything is clear just now, could she advise the House why the government has paid various groups to help people fill in these forms?

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, I should like to advise the hon. member that the Minister of National Revenue issued a press release some time ago to assure the general public that next year only one short and simple form would replace the two used this year because the fiscal system was already in place. I should like to add that the opposition has tried to kill this program by suggesting that we are faced with an administrative disaster, which is simply not true. We have already received 375,000 forms from Quebec and 350,000 from Ontario, of which only 15 could not be identified. This will prove immediately to the hon. member that there is no disaster and that this program is progressing quite satisfactorily. In reply to the last part of his question, I must say that on my own initiative I have provided community groups with small amounts of money to help Canadian mothers participate for the first time in a program which is not automatic. I have nothing else to add.

* * *

[*English*]

PRIVILEGE

MR. DIEFENBAKER—EXPRESSION USED BY MINISTER OF JUSTICE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I usually do not rise on a question of privilege. I realize that in the crossfire in the House of Commons things are sometimes said that ought not to be said. However, I rose today when a minister of the Crown holding the responsible position of Minister of Justice (Mr. Lalonde) made a statement that cannot be justified in any way. Using expressions like that used by him indicate that he was caught by a portion of his anatomy that I am not going to refer to particularly.

I now refer to the statement made by the Prime Minister (Mr. Trudeau) as reported in the Toronto *Sun*.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: When sensibilities are exacerbated, sense then ends so far as those who suffer therefrom. I refer to the

words that were used. The heading is "Royal Status Makes Democrats Cringe, Says Trudeau". He has not denied it. Of course, he has not been here and has not had the opportunity to do that. It then says, "Queen Needs Update: PM". The article is written by Ian Harvey, a responsible writer, and reads as follows:

> The Queen's role in Canada "needs updating to the 20th century," Prime Minister Trudeau said yesterday.
>
> Trudeau told a bearpit session at York University's Osgoode Hall that while she has many "pluses there are also some negatives."
>
> "She's good, she's nice, she's everything," he said. But her position is one of "inherited privilege—something all democrats cringe at."

I quoted what was said and I can use the words of the hon. gentleman—they were a disgrace. When he starts giving opinions on the law as he did a few minutes ago to the Leader of the Opposition (Mr. Clark), I remind the Minister of Justice that he has a record unequalled in this country. In all the years he has never been reversed on appeal, because he never had a case.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: He has not yet got over the experience he had in the House of Commons the other day when the hon. member for Kingston and the Islands referred to an article in *Reader's Digest*.

Mr. Speaker: Order, please. I have surely extended the right hon. member full leeway to develop his question of privilege. I take it that he has taken issue with the expression used by the Minister of Justice (Mr. Lalonde) today. As I recall the last answer of the minister, the one to which the right hon. member has referred, it was his use of the word disgrace in respect of the right hon. member's question. I think he has developed that point. I surely cannot let him go on now and make an attack on the minister respecting other days in the House.

Mr. Diefenbaker: Mr. Speaker, I do not make an attack. I tell the truth about the falsehood that he told.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I do not expect a withdrawal from him because he does not realize what he has done. I once heard this expression used in the British House of Commons and immediately the Speaker called the individual who used it to order.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: I wonder if we could get order among this tribe.

Mr. Speaker: Order, please. I would like to know if the right hon. member is asking me to examine the term disgrace and determine whether it is an unparliamentary term. I do not believe it is. If the right hon. member has precedents to that effect, I would be glad to hear them.

Mr. Diefenbaker: You have established my point, Mr. Speaker. Thank you very much.

Mr. Speaker: I do not sense a procedural point in the presentation of the right hon. member. I have a notice of privilege from the hon. member for Lanark-Renfrew-Carleton (Mr. Dick).

MR. DICK—LOTO CANADA—PRESIDENT'S REPORT INTO LOTO SELECT PROJECT

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I rise at this time to raise a question of privilege of which I have given you notice, and notice to the minister involved. The point arises out of a motion under Standing Order 43 which I put on June 26, 1978, and to which the minister replied in a letter dated June 28, 1978. In the letter signed by the minister in ink, in her own hand I believe, it states:

> This letter is in reference to your question under Standing Order 43 made Friday, June 23, 1978. I will send you a letter received from Loto Canada concerning the letting of a three year contract to General Instrument (Canada) Limited.

There are two other paragraphs which do not pertain to this, asking whether I wanted a briefing and so on. The letter which I was then sent is dated June 26, 1978, and is signed by Mr. Cousineau, the president of Loto Canada.

I have had to go through an awful lot of correspondence as well as a report which was filed in this House on February 21 to make sure there was accuracy and that I would not be bringing up what may be an error in a question of privilege. There has been much checking and verification. I believe this is an important question of privilege; there are many anomalies, contradictions and oversights in the report which was tabled on Wednesday, February 21, as a report from the president of Loto Canada. Generally, the report follows a number of order paper questions which I had put down, starting at No. 1,030. It certainly does not go into the matter in any detail as I had requested.

● (1510)

The Minister of State for Fitness and Amateur Sport (Mrs. Campagnolo) tabled in the House a document which she said constituted a report of Loto Canada to her regarding the resolution of contracts having to do with the abandoned Loto Select games. I served notice immediately that Appendix B in the table of documents which purports to be a copy of a letter sent by Guy Cousineau, the president of Loto Canada, to the minister on June 26, 1978, is in fact not that letter.

On June 28 of last year the minister sent to me a letter signed by herself in which she enclosed a photocopy of the letter of June 26, 1978, signed by Guy Cousineau. The letter the minister tabled is, in fact, an altered version, and a significant paragraph has been deleted.

Some hon. Members: Oh!

Mr. Dick: Mr. Speaker, the nineteenth edition of Erskine May states clearly on page 141, under the title "Presenting Forged, Falsified or Fabricated Documents to Either House or Committees of Either House":

[Mr. Diefenbaker.]

> It is a breach of privilege to present or cause to be presented to either House or to committees of either House forged, falsified or fabricated documents with intent to deceive such House or committees or to subscribe the names of other persons or fictitious names to documents intended to be presented—

I am not suggesting that a wrong name has been added or that a name has been forged, but I am saying it is a fabricated document. Under the next heading on the same page, "Conspiracy to Deceive Either House or Committees of Either House," we read:

> —persons who present false, forged or fabricated documents to either House or to committees of either House are guilty of a breach of privilege.

Under the third heading on that page, "Abstracting or Altering Documents Presented to the House", Erskine May states:

> To abstract any record or other document from the custody of the Clerk or to falsify or improperly alter any records of, or documents presented to either House, or committees of either House, will constitute a contempt.

As I have stated, on June 28 the minister sent me a covering letter, which I have read in part, together with a copy of a letter from Mr. Cousineau to herself dated June 26 outlining the circumstances surrounding Loto Canada's computer game, Loto Select. Now I find in the report tabled by the minister, half way down page seven, the following:

> With no time available to eliminate problems after commencement only proven performance was considered acceptable. Potential performance or hypothetical capability would constitute an unacceptable risk as prejudicing either credibility and/or time limits. (This topic is dealt with at somewhat greater length in the letter contained in Appendix B of June 26, 1978).

Now I find that in the report tabled by the minister there exists this Appendix B which purports to be a letter dated June 26, 1978, from Mr. Cousineau to herself. I would draw the attention of the House to the fact that this letter as tabled appears to have been altered and subsequently signed, with a few changes in punctuation—a few commas have been added or deleted as is normal, I guess, when retyping. The margins have been reset, and starting at the bottom of page two of the letter they shift one paragraph over to the top of page three, so you start to get caught up when they delete the paragraph.

Page one is identical, word for word and paragraph for paragraph, as between the two versions. Page two begins with a paragraph saying: "Accordingly, following from the second of the foregoing—" and ends, in the last sentence, "In the circumstances, I believe this attitude on our part was both necessary and justified." On the other hand, the letter which was sent to me dated June 26 started on page two with the words: "Accordingly, following from the second of the foregoing points—", words identical to those in the other letter, but there is another paragraph on that page; in the tabled version that paragraph has been slipped over to the top of page three and everything slides down a little bit. So it gets to be on page three, and a paragraph is missing.

On page three of the original letter of June 26, a copy of which I left with your office, Mr. Speaker, on serving notice, there is a paragraph which states:

> On balance, therefore, and keeping in mind that the tendering process alone would consume between three and four months of the limited pre-1980 time

period, the corporation judged that it was fully justified in entering into a sole-sourced contract.

Considering that much of the debate has been concerned with tendering, or lack of tendering, and the sole sourcing of a large contract directed to an American firm, it is odd that that paragraph should have been omitted in its entirety from the version tabled in the House of Commons on Wednesday last. It was a key paragraph of the original letter. In it, the president of the corporation outlined Loto Canada's reasons for sole-sourcing this important and costly contract to an American firm. Yet in the document tabled in the House the paragraph has been deleted, and the letter signed again by the president of Loto Canada as if it had been the letter of January 26, 1978. All other paragraphs and words in the two versions are identical. Mr. Speaker, I believe this constitutes a prima facie case of privilege.

I should also like to state that there are other anomalies in the document tabled by the minister which contradict previous statements made by her in the House and which would, it seems to me, lead to the conclusion that the hon. lady has misled the House at least on occasions in relation to Loto Select. I feel that this alteration of a document before it was tabled constitutes such a flagrant breach of privilege that it should immediately be brought to the attention of the House. Should Your Honour find that a prima facie question of privilege has been established, on the basis of the references I have made to Erskine May and other authorities, I would be prepared to move:

That the tabling in the House of Commons on Wednesday February 21, by the Minister of State for Fitness and Amateur Sport of a report on the circumstances surrounding Loto Canada's computer game Loto Select, a part of which was a letter, Appendix B, which purports to be a copy of the letter sent by the president of Loto Canada to the minister on June 26, 1978 regarding Loto Select, but in fact which is a significantly altered version of that letter, be referred to the Standing Committee on Privileges and Elections.

● (1520)

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I appreciate the courtesy of the hon. gentleman. I received notice of his motion, but it would have been more helpful if the motion had said what it was the hon. member wished me to examine. The hon. member's motion refers to Loto Canada's resolution of contracts for its Loto Select game, this being his first opportunity to raise this question of privilege after these anomalies and omissions came to his attention.

The hon. member did not know of the alleged anomalies and omissions when he called my office today. He did not know them yesterday when he raised this, so I have not been accorded the privilege of knowing whatever prior knowledge he may have had of what it was he was going to bring forward today.

We know that the prime matter to be brought forward is whether there was an attempt to deceive. This is the essential element which has been brought forward by the hon. member for Lanark-Renfrew-Carleton (Mr. Dick).

Naturally it will be necessary for me to consult the officers of Loto Canada and to determine from the president if indeed there was a substantial change, and it will be necessary for me to bring this information back to the House. That is the question concerning the letter itself.

However, the hon. member once again today raised the question of what he has referred to as the American purchase. In this regard I can say that the hon. member himself was guilty of irresponsible and reprehensible behaviour when he attended the Ontario unveiling of a software purchase and said that it was an all-Canadian purchase. The fact is that the Ontario Lottery is and was as dependent upon American software as was Loto Canada at that time. The hon. member has raised this repeatedly in the House, and he has done so again today, so I would like to address myself to that.

The Ontario and Quebec games are so dependent on American software that the most recent edition of an American trade publication contains an article, which I want to table today, entitled "Datatrol Inc. of Hudson Massachusetts' new programmable wagering terminal" which says, and I quote:

The first installations of this terminal took place last November in the Canadian provinces of Ontario and Quebec under the direction of the Ontario Lottery Corporation and Loto Quebec.

The hon. member for Lanark-Renfrew-Carleton has repeatedly said that Loto Canada's decision to lease from an American subsidiary was a wrongful act, and he based this assertion on the fact that Ontario was able to make purchases in like manner from a Canadian corporation which, in fact, it did not. That is demonstrated in the documents which I table herewith.

The hon. member referred to some fine phrases by opposition members from time to time. He has in fact backed the Canadian computer industry, which I think is commendable. However, the fact is that last year the Canadian computer industry did not yet have the capability to develop an integrated gaming system of the kind required by Loto Select as well as by Ontario and Quebec. It is because of this, and because of Loto Canada's desire in its capacity as a Crown corporation to support the government's over-all industrial strategy, that Loto Canada has initiated through the Department of Supply and Services a research granting system of up to $500,000 in order to develop Canadian production of gaming and lottery technology programs.

The hon. member for Lanark-Renfrew-Carleton castigated me in his news conference for having been the minister responsible for a corporation which leased from an American company, but he himself was false when he made—

Some hon. Members: Order.

Mr. Speaker: Order, please. I allowed the hon. member for Lanark-Renfrew-Carleton (Mr. Dick) some leeway. The minister has refuted one or two peripheral points, but the essential point remains the one about the discrepancy between the two documents. I think I am correct that the minister began by indicating that she would return to the House at a later time with some information on that matter.

Mrs. Campagnolo: Mr. Speaker, since I was not accorded the courtesy of an actual request to come back with a report from the president relative to the letter, I said at the beginning of my remarks that I reserve my right to do that, and that is what I wish to make known now.

Mr. Speaker: The minister, of course, enjoys the right, as any hon. member would, to research her side of the case and determine the nature of the discrepancy the hon. member described. Therefore she will return to the House as soon as possible with whatever explanation is forthcoming from her in that regard. The minister put a document forward, and the procedural nature of this is a little obscure to me during the course of this kind of argument. If the House wants to give the minister leave to table that document, I presume it might be appropriate to do so now. That would keep our procedures from being somewhat varied in the circumstances. Is the minister at liberty to table this document forthwith?

Some hon. Members: Agreed.

Mr. Speaker: So ordered.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, looking ahead to the defence which will be offered I just want to indicate that it is our view—and I say this with respect—that the question raised by the minister as to whether there was an intent to deceive is not a question with respect to the matter of privilege. That is a question for the committee to decide. That is a matter which goes to the committee. The question before the House is whether there was a discrepancy between two documents. It is a question of a discrepancy, by omission, between the two documents. That is an assertion which has been made, and I think when the minister returns to the House she should direct herself to that point, bearing in mind the principle Your Honour set out in a lengthy and, I think, very learned and acceptable judgment involving the hon. member for Northumberland-Durham (Mr. Lawrence) where that was the precise issue.

That is the question, and that is the matter upon which I presume Your Honour would find that there is a prima facie case. The matter would then go to the committee, assuming that a majority of the members of this House voted to send it to the committee. That was the issue in the case of the hon. member for Northumberland-Durham. That is the matter about which my hon. friend opposite is grunting. In that case the government voted against the openness which this House wanted with respect to that question.

The last matter is that it might be helpful to the House if, in anticipation of what the minister is going to say, and dealing with the narrow question which the House must consider—as to whether there are any other documents which ought to be tabled—perhaps the minister could undertake now to table in advance of her argument—perhaps later today when we would be prepared to give her consent—any other documents, the contracts particularly, to which she is referring, because that is the matter which is of interest to the country. I know the minister smiles a lot, but that is a matter which is of interest to the country, and if the minister could undertake to disclose the whole of the position taken by the government with respect to this matter, it would be a most refreshing undertaking from this government, and particularly from this minister.

Mr. Speaker: Order, please. I think it is wise to weigh the arguments on both sides, but I think it is wise also to learn all the facts before we get into the law. The minister has indicated that she wants to investigate the matter and return to the House. It seems to me that that would finalize the factual aspect of it. Then we could begin to discuss what procedural decisions have to be made. However, until we know all the facts I do not know how I could entertain any arguments at this stage. We ought to wait for the minister to make all the facts known before we start to argue the law.

Mr. Erik Nielsen (Yukon): Mr. Speaker, I do not intend to get into the merits or the facts. We look forward with anticipation to the minister's explanations, but I do hope that I, and other hon. members who wish to participate by making submissions to the Chair as to whether or not a prima facie case exists with regard to the question of privilege raised, will be given the opportunity to make those submissions to the Chair before any ruling is made as to whether or not there is a prima facie case.

• (1530)

Mr. Speaker: Once again I do not know how I can prejudge that until I hear what the facts are.

I have notice from the hon. member for Red Deer (Mr. Towers) about a question of privilege.

MR. TOWERS—REMARKS MADE BY MINISTER OF NATIONAL REVENUE

Mr. Gordon Towers (Red Deer): Mr. Speaker, I rise on a question of privilege concerning remarks of the Minister of National Revenue (Mr. Abbott) yesterday related to my motion under Standing Order 43 on income tax returns of some Red Deer constituents included with those found in boxes in an Ottawa building, unguarded and without adequate security. Every member of parliament is responsible to his or her constituents, and part of that duty is to act on their behalf. Surely no member of this House is to be denied the right to protect those who elected him, particularly involving confidential information entrusted to the Minister of National Revenue.

The general public understandably does not, or has not up until now, been concerned about legislation authorizing or compelling the minister to release income tax returns to another department or agency of government. When they file income tax returns, they are obeying and complying with a federal law.

The minister said in his question of privilege yesterday:

I take exception to the hon. members being able to communicate to the public at large that Revenue Canada does not guard its income tax returns with great care.

Had the income tax files in question been "guarded", I would not have moved my motion yesterday. I might add that the boxes with the income tax returns in question were shown on television, giving them far wider publicity and greater impact than verbal representations within this chamber.

The purpose of my motion was to have the Minister of National Revenue communicate with those persons whose files were released to Statistics Canada to reassure them, and to explain how their income tax returns are being used. If the minister accedes to my request, any adverse effect or doubt as a result of the unguarded confidential files could be satisfactorily resolved, at least to a degree.

I take exception to the implication of the Minister of National Revenue that my motion was an attempt to publicize in any way the boxes of unattended and unprotected income tax returns. Surely the minister, the custodian of millions of income tax returns containing perhaps more personal and confidential detail than those of any other federal department, would not find my request unreasonable or unparliamentary.

By exercising a small degree of co-operation, understanding and tolerance, and by accepting the responsibility of his portfolio, the Minister of National Revenue could regain the confidence of the general public, at the same time reassuring this House and Canadians everywhere that confidential information is protected, or will be in the future.

[*Translation*]

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): Mr. Speaker, I would say offhand that the hon. member's great irritability has nothing to do with the question of privilege, but I would nevertheless reserve the right of the minister to answer him on his return to the House, if you deem it advisable.

[*English*]

Mr. Speaker: Is the hon. member for Peace River rising (Mr. Baldwin) on the same question? I know there was another aspect of the minister's intervention yesterday that was raised. I do not know whether or not that is to be pursued.

Mr. Alexander: I am just awaiting my turn, Mr. Speaker.

Mr. Speaker: In respect of this particular grievance raised by the hon. member for Red Deer (Mr. Towers), I do not think I should keep it open. It is not a question of privilege; it is not a procedural matter; it is a grievance which the hon. member raised, a disagreement with the minister. We ought to close that matter from the procedural point of view.

However, yesterday the hon. member for Hamilton West (Mr. Alexander) gave notice of his intention to raise a question of privilege with respect to another aspect of the minister's intervention, and we should proceed with that now.

POINTS OF ORDER

MR. ALEXANDER—RIGHT TO RAISE QUESTION OF PRIVILEGE RESERVED ON BEHALF OF HON. MEMBER FOR CENTRAL NOVA

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I thank you for recognizing me. As you know, yesterday I brought to your attention words which I found to be rather offensive and most unparliamentary, directed to and related to the hon. member for Central Nova (Mr. MacKay). At that time I heard the word "stolen", or an implication in that regard, and it was your suggestion that we examine the blues, which I did, sir. I would refer Your Honour to page 3632 of *Hansard* of February 27, and I reserve the right of the hon. member for Central Nova to pursue this matter, if he so desires, as I understand he will not be back this week, being on public business as usual. I hope this is the last time I will have to rise on this matter, given the fact it is Wednesday, to protect his rights.

I would like to bring Your Honour's attention to the middle of page 3632 of *Hansard* where the following is reported:

> MR. ABBOTT: Mr. Speaker, I am still on my point of order—
>
> AN HON. MEMBER: It was a question of privilege.
>
> MR. ABBOTT: —my question of privilege to confirm that it is not this government or the Minister of National Revenue or the Department of National Revenue that stands in risk of revealing tax forms to the public. It is the hon. member for Central Nova possessed of stolen tax returns—
>
> MR. ALEXANDER: Stolen?
>
> MR. ABBOTT: —and this "private dick" in residence in the Tory party has been revealing these forms to the public—

In my view, sir, this calls for an allowance to be given to the hon. member for Central Nova and as well for an opportunity to be given the Minister of National Revenue (Mr. Abbott) to see whether or not he still has the foot and mouth disease. I rise now to retain the right, which I know the hon. member for Central Nova wants, to pursue the matter further.

MR. BALDWIN—LOTO CANADA—TABLING OF LETTERS

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I rise simply on a point of order in connection with the question of privilege raised by my colleague, the hon. member for Lanark-Renfrew-Carleton (Mr. Dick). I am looking to the expedition and simplification of the debate, when it comes, on the question on which Your Honour will have to make a decision. We know that last Wednesday a letter referred to by the hon. member was tabled in the House. As I understand it, the narrow point which Your Honour has to consider, and which perhaps the committee will have to consider, is that the letter is in conflict with what purported to be a similar letter which was sent directly to the hon. member by the minister, which would have the effect of being calculated to deceive the hon. member.

I would urge the minister, under those conditions, to save the time of the House which might be used in reading the entire letter into the record, and to table her letter of June 28, 1978, written to the hon. member, accompanied by what purports to be the letter directed to her written by Guy

Cousineau, dated June 26, 1978. We would then have on the record both letters, and for the benefit of Your Honour and the benefit of members in the House who might want to make a contribution, the matter would be laid out completely.

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I take the representation extremely seriously and I will reserve my decision until tomorrow.

MR. ALEXANDER—RIGHT TO RAISE QUESTION OF PRIVILEGE RESERVED ON BEHALF OF HON. MEMBER FOR CENTRAL NOVA

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the minister has dealt with the point of order raised by the hon. member for Peace River (Mr. Baldwin). Now I want to answer the point of order raised by the hon. member for Hamilton West (Mr. Alexander) who complained about the minister saying that the hon. member for Central Nova (Mr. MacKay) was possessed of stolen tax returns. I see, on reading *Hansard,* that that is what the minister said. He never said that the hon. member for Central Nova had stolen those documents or knew that the documents were stolen. So there is absolutely nothing wrong in that statement and I ask that the question of privilege be set aside.

Mr. Speaker: I really prefer that we argue these things only once. I do not think there is any point in doing part of the argument today and another part at a later time. The hon. member for Hamilton West (Mr. Alexander) has reserved the right of the hon. member involved to take this up. If he takes it up, we will do all of the argument at one time and make a decision then.

MR. COSSITT—DELAY IN ANSWERING QUESTION NO. 19

Hon. Bud Cullen (Minister of Employment and Immigration): Mr. Speaker, I regret that I had already left the House yesterday when the hon. member for Leeds (Mr. Cossitt) rose on a point of order in reference to question No. 19 on the order paper dealing with an RCMP investigation into the alleged misuse of the unemployment insurance computer in Montreal.

Rather than content himself with inquiring about the status of the question, the hon. member made a number of grave charges against two public servants, naming them both in his remarks. His references to these two officers, coupled with mention of kickbacks, installation of a swimming pool for one officer, cash payments to civil servants, crooks hiding in the civil service and embezzlement, demand an immediate answer. I had hoped to reply before now to question No. 19, but I wanted to ensure that all aspects of the member's allegations had been thoroughly investigated. Now I am able to report the RCMP has revealed that there is no evidence whatever to substantiate any of the hon. member's allegations. I shall be providing a full and detailed reply to question No. 19 as soon as possible, but the hon. member's unfounded charges cannot go unchallenged in the meantime.

[Mr. Baldwin.]

• (1540)

Some hon. Members: Hear, hear!

MR. BLAIS—REPLY TO QUESTION NO. 679

Hon. J.-J. Blais (Solicitor General): Mr. Speaker, I rise on a point of order in reply to a matter raised by the hon. member for Provencher (Mr. Epp) on February 20, 1979, as an item under routine proceedings. The hon. member questioned replies given to him on question No. 679 on the order paper and in a letter dated February 13, 1979, both of which concerned the RCMP Highway Detachment Building located at Steinbach, Manitoba. The reply to the question on the order paper was signed by my parliamentary secretary, and the letter was signed by myself.

The hon. member for Provencher alleged that there was a discrepancy between the answers given to him. I have taken the opportunity of reviewing question No. 679 on the order paper and the correspondence. Question No. 679 asked if the government is planning expansion of the RCMP Highway Detachment Building located at Steinbach, Highway No. 12, and its response was "No". There are no proposals to expand that building. However, as indicated in the letter to the hon. member for Provencher, interior renovations, as well as a new parking lot at the rear of the building, are programmed for the fiscal year 1980-81. I do not consider there is a conflict in the response to question No. 679 vis-à-vis the letter sent to the hon. member. As hon. members opposite word their questions on the order paper with care, the answers also are worded carefully with reference to the questions asked.

Mr. Jake Epp (Provencher): Mr. Speaker, the Solicitor General (Mr. Blais) was correct in outlining the case. It was pretty well a repeat of what I raised on February 20 as reported at pages Nos. 3412 and 3413 of *Hansard.*

In the technical sense the minister said I used the word "expand" the detachment building in Steinbach, namely, the rural detachment located on Highway No. 12. The minister made the claim, if I understand him correctly, that if the physical dimensions of the building are not expanded, the square footage of the building, then the building is not expanded. If I interpret him correctly, then the government answered my question correctly by a negative answer of "No". But the minister knows that in "D" Division headquarters in Winnipeg, as well as at RCMP detachment offices in Steinbach, for some time there have been discussions on renovating the building. In the manner in which the question was asked, it was quite clear I was asking for the building program for that detachment building. Now the minister claims that it is not being expanded but in fact they will go forward with the renovations as had been discussed by the RCMP in the various forms which I have mentioned.

While the minister, in the very technical sense and with a dictionary definition of "expansion", might be able to get away with a negative answer, the fact of the matter is that it was a question requesting information on behalf of my constituents.

An hon. Member: You won't get that from them.

Mr. Epp: What I did get was a totally wrong impression and my constituents got a totally wrong impression that the building project which had been purported to go forward, now was not to go forward. Most hon. members in the House who come from rural areas recognize that if a federal building project is to take place in their area, there is a lot of discussion in the concerned area before the project ever gets under way. There is extreme interest in local rural areas as to whether the federal government will go forward with the project. In this case it was an RCMP detachment building.

Members of the force are very close members of the community and they speak with other members of the community. The impression left was that the government planned to go forward with renovations. But when I received a "No" answer to my written question, the impression was that the project was dead. A few days later I received the minister's answer in letter form arguing that the project was to go forward again. I could stand here a long time arguing whether a parking lot attached to a detachment building is expansion or renovation. I do not know what is being renovated, but I know what is being expanded. Now that the minister is trying to hide behind the words "expansion" and "renovation", I hope this case will be put to rest only on the basis that he will go forward with the expansion and/or renovations which were planned a long time ago.

MR. DIEFENBAKER—CLARIFICATION OF WORDS USED IN ASKING QUESTION RESPECTING MONARCHY

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I would not like to leave anything on the record which would be taken as a quotation. The last words I uttered today were that "he was going to abolish the Queen," that is, the Prime Minister (Mr. Trudeau), "and at another time that she was no good to Canada." That was not in any way a quotation. The statement made by the Prime Minister was that she was of no more consequence than skiing or even snowshoeing.

ROUTINE PROCEEDINGS

[*English*]

Hon. Marc Lalonde (Minister of Justice): Mr. Speaker, I rise on a point of order. I missed Your Honour calling for the introduction of bills.

[*Translation*]

There has been consultation with the other parties in the House about the possible introduction of a special bill. This would involve extraction from Bill C-51 of the provisions on prostitution. I believe consultations with opposition parties have led to an agreement to introduce this bill for accelerated

consideration during this session, rather than wait for consideration of the whole Bill C-51.

[*English*]

If I report correctly the understanding between the parties, I would beg the permission of the House to introduce, for first reading, this particular bill.

Mr. Baker (Grenville-Carleton): Mr. Speaker, the Minister of Justice (Mr. Lalonde) is quite correct; we consent.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I know there have been discussions, some of them with other members. We are prepared to consent to the introduction of this bill, but that does not mean we are consenting to anything else.

Mr. Baker (Grenville-Carleton): That is all the minister is requesting.

Mr. Speaker: Order, please. The House has given consent to revert to the introduction of bills.

* * *

[*Translation*]

CRIMINAL CODE

MEASURE TO AMEND

Hon. Marc Lalonde (Minister of Justice) moved for leave to introduce Bill C-44, to amend the Criminal Code (Soliciting for the purpose of prostitution).

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the following questions will be answered today: 539, 554, 848 and 864.

I ask that the remaining questions be allowed to stand.

[*Text*]

LOUIS-HYPPOLITE LAFONTAINE TUNNEL

Question No. 539—**Mr. Lambert (Bellechasse):**

1. Did the government make any contribution to the construction of the Louis-Hyppolite Lafontaine Tunnel and, if so (a) to what extent (b) in what amount?

2. Is the Tunnel entirely paid for and, if not, are payments spread over several years and, if so, over how many years and in what amount for each year?

Hon. André Ouellet (Minister of Public Works and Minister of State for Urban Affairs): 1. The federal government

contributed to the construction of the Louis-Hyppolite Lafontaine Tunnel under the Trans-Canada Highway Act: (a) to the extent of 90 per cent of an equivalent two-lane highway. (b) in the amount of $53,000,000.

2. The federal share of the costs were paid to the province of Quebec as construction proceeded and progress construction cost claims were submitted by the province as per the act.

WINNIPEG TAXATION OFFICE

Question No. 554—**Mr. Hare:**

1. What is the status of construction of the Winnipeg taxation office?

2. What is the expected date of completion?

Hon. André Ouellet (Minister of Public Works and Minister of State for Urban Affairs): 1. The status of construction of the Winnipeg taxation office is 15 per cent completed.

2. Contract final completion date is October 31, 1979.

POST OFFICE—PROJECTS IN RICHMOND

Question No. 848—**Mr. Beaudoin:**

1. Since 1968, did the Post Office Department finance projects in the Constituency of Richmond and, if so (a) what were the projects (b) what was the (i) total amount (ii) amount in each case (c) what were the areas?

2. Is the Department planning to do so in the near future and, if so (a) what will be the amount (b) in which areas?

Mr. David Collenette (Parliamentary Secretary to Postmaster General): 1. No. (a) and (b) Not applicable.

2. No.

STAMPS—HER MAJESTY THE QUEEN

Question No. 864—**Mr. Howie:**

For the fiscal year ended March 31, 1978, how many postage stamps and in what denominations were produced showing a portrait of Her Majesty the Queen, and in these same denominations, how many were produced showing any other portrait or picture?

Mr. D. M. Collenette (Parliamentary Secretary to Postmaster General): Denominations of stamps depicting the Queen's Portrait and other subjects of the same denomination produced in fiscal year 1977-78:

Ten cents	Queen—202,000 rolls × 100	20,200,000	
	4,820,000 books × 4	19,280,000	39,480,000
Ten cents	Flower		81,500,000
Ten cents	Christmas		102,500,000
First Class Postal rates increased to twelve cents—April 1, 1977			
Twelve cents	Queen (In sheets)	261,600,000	
	3,908,000 books × 4	15,632,000	277,232,000
Twelve cents	Parliament (In sheets)	319,600,000	
	2,833,000 rolls × 100	283,300,000	602,900,000
Twelve cents	Commemorative issues		260,925,000
Twelve cents	Christmas		80,550,000
First Class Postal rates increased to fourteen cents—April 1, 1978			
Initial quantity of stamps delivered prior to April 1, 1978			
Fourteen cents	Queen (Sheets)	129,000,000	
	80,000 books × 3	240,000	129,240,000
Fourteen cents	Parliament (Sheets)	72,700,000	
	300,000 × 100	30,000,000	102,700,000
Fourteen cents	Commemoratives		87,387,000

[Mr. Ouellet.]

[*English*]

Mr. Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, notice of motion for the production of papers No. 8 is acceptable to the government subject to the usual reservations concerning confidential documents and to the authorization of the government authorities concerned.

Mr. Speaker: Order, please. Subject to the conditions described, shall notice of motion for the production of papers No. 8 be deemed to have been adopted?

Some hon. Members: Agreed.

OPERATING REACTORS IN CANADA

Motion No. 8—**Mr. Lawrence:**

That an Order of the House do issue for copies of licences and supporting documentation for all operating reactors in Canada.

Motion agreed to.

Mr. Pinard: Would Your Honour be so kind as to call notices of motions for the production of papers Nos. 5, 6, 7 and 9?

[*Translation*]

COPIES OF MINUTES OF WORKING GROUP ON PRINCIPLES AND CRITERIA FOR NUCLEAR SAFETY

Motion No. 5—**Mr. Lawrence:**

That an Order of the House do issue for copies of all minutes of the Inter-Organizational Working Group on General Principles and Criteria for Nuclear Safety from September 14, 1977 to date.

Mr. Pierre Bussières (Parliamentary Secretary to Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, the Atomic Energy Control Board replied that those documents are internal documents and cannot therefore be made public. The board

received the final report of the Inter-Organizational Working Group and published it on November 28, 1979. It has not yet been decided whether the proposals of the report will be accepted, as the comments of interested groups and individuals in the private sector have not yet been received. I therefore would ask the hon. member to withdraw his motion.

[*English*]

Mr. Lawrence: Transfer for debate.

Mr. Speaker: Transferred for debate.

● (1550)

[*Translation*]

LOSS OF COOLANT ACCIDENT AT PICKERING NUCLEAR STATION

Motion No. 6—**Mr. Lawrence:**

That an Order of the House do issue for copies of the Loss of Coolant Accident Report for the Pickering Nuclear Generating Station submitted to the Atomic Energy Control Board in November of 1976 including the covering letter from Mr. William Morison of Ontario Hydro to the Board.

Mr. Pierre Bussières (Parliamentary Secretary to Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, the Atomic Energy Control Board answered that the papers requested were received by the board on a confidential basis from sources outside the government and that, therefore, they cannot be released. I should like to ask the hon. member to withdraw his motion.

[*English*]

Mr. Lawrence: Transfer for debate.

Mr. Speaker: Transferred for debate.

[*Translation*]

COPIES OF NOTES SUBMITTED TO ATOMIC ENERGY CONTROL BOARD

Motion No. 7—**Mr. Lawrence:**

That an Order of the House do issue for copies of all Bruce Reactor Safety Notes submitted to the Atomic Energy Control Board.

Mr. Pierre Bussières (Parliamentary Secretary to Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, the Atomic Energy Control Board let us know that the papers requested were sent to the board on a confidential basis, once again from sources outside the government, and that therefore they may not be released. I should like to ask the hon. member to withdraw his motion.

[*English*]

Mr. Knowles (Winnipeg North Centre): Question.

Mr. Lawrence: Transfer for debate.

Mr. Speaker: Transferred for debate.

[*Translation*]

COPIES OF MINUTES OF MEETINGS OF REACTOR SAFETY ADVISORY COMMITTEE

Motion No. 9—**Mr. Lawrence:**

That an Order of the House do issue for copies of all minutes of meetings of the Reactor Safety Advisory Committee from January 1974 to date.

Mr. Pierre Bussières (Parliamentary Secretary to Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, the Atomic Energy Control Board replied that the papers requested are internal documents and cannot therefore be published. I should like to ask the hon. member to withdraw his motion.

[*English*]

Mr. Lawrence: That is equally nonsensical, Mr. Speaker, and I would ask that it be transferred for debate.

Mr. Speaker: Transferred for debate.

Shall the remaining notices of motions for the production of papers be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

ENERGY SUPPLIES EMERGENCY ACT, 1979

MEASURES TO CONSERVE STOCKS

The House resumed, from Tuesday, February 20, consideration of the motion of Mr. Gillespie that Bill C-42, to provide the means to conserve the supplies of energy within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada, be read the second time and referred to the Standing Committee on National Resources and Public Works.

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, this bill we are dealing with today concerning emergency powers to be given the government to allocate energy in the event of an interruption or dislocation of supply, is one of tremendous importance, and we want to make a few observations before it moves to the committee.

One has to ask oneself how many energy crises we, as a country, will have to face before this government takes action in terms of implementing a rational energy policy geared to the goal of self-sufficiency in energy for consumers in Canada. What brought on this most recent example of the need for a bill is in everyone's mind, namely, the Iranian situation whereby some 100,000 barrels of oil usually destined for Canada were cut off because of domestic problems in Iran. What happened to make the situation worse, of course, was a deci-

sion by the Exxon oil company of the United States in a directive to its Canadian subsidiary, Imperial Oil, to divert some 25,000 barrels of crude from Venezuela bound for Canada. Of course this made the situation for the people in eastern Canada all the more precarious.

I do not have to remind the House that back in 1973 and 1974 we faced a similar crisis when world supply was, or appeared to be, interrupted, and the Liberal government at that time brought forward an emergency bill to give it the necessary powers to deal with rationing and other procedures needed in Canada. Unfortunately, at the insistence of the Conservative party, there was a time limit. The measure was to expire after two years, and it did so, I believe in 1976. As a result we have to go through the whole process again of re-introducing and passing a similar bill.

The passage of this one bill really does not go to the root of the problem, the real vulnerability of Canada in terms of energy. Because of the government's lack of initiative, and because of the backward looking policies of previous Liberal and Conservative governments, we are in a situation today where a country such as Canada, which in theory should be self-sufficient in energy needs, is in reality dependent upon imported oil from OPEC countries to meet consumer needs east of the Ottawa valley. That shortsighted policy of not building an oil pipeline from our western Canadian oil fields to our east coast has now caught up with us on two very dramatic occasions. This indicates the real powerlessness of the Canadian government without the option of Canadian supply for Canadian markets.

When we recall that over 90 per cent of our oil industry is foreign owned it soon becomes apparent that the options the government has to implement energy policy in the interest of Canadians are limited, indeed. When Imperial Oil got the order from its parent company, Exxon, that once again pointed out dramatically how we are at the mercy of the multinational oil companies. We do not have an energy policy stressing Canadian self-sufficiency and Canadian control of our energy resources.

We in this party have argued time and time again, in this House and elsewhere, from the earliest days of the 1960s, that we must have public control and ownership of our vital energy sector if we are to develop a nation that is economically strong, and if we are to be in a position to avoid the kind of precariousness of supply and the kind of blackmail that can take place as a result of decisions by OPEC or the multinationals.

We had a spectacle just a few weeks ago when Imperial announced it was going to divert Venezuelan oil bound for Canada to other markets of the Exxon corporation in order to make up for the shortfall that Exxon was experiencing in its other markets because of the Iranian cutback. We had the spectacle of the Minister of Energy, Mines and Resources and Minister of State for Science and Technology (Mr. Gillespie) begging the subsidiary of a multinational oil company, Imperial Oil, to please not divert the oil that was regularly bound for Canada, contracted under due legal process for the Canadian market.

Indeed, that situation is still not resolved. Imperial has cut down on the amount of oil it wanted to divert, but this does not go to the root of the problem; nor does it offer us as consumers a long-range solution to the problems resulting from an interruption of supply.

Surely we, as Canadians, need no further evidence that we have to reverse this disastrous energy policy pursued by this Liberal government if we are to proceed on a sound and rational basis for the supply of energy in this country. When we consider the way out we know it is not, as the Conservatives would have it, just to leave it all to the private sector in the hope that somehow, through private initiative and private decision making, there will be enough oil found to meet our needs for decades to come. That is just not going to work. Surely the oil crisis we saw in the middle 1970s, and the oil crisis we see now, are evidence of the fact that the situation has gone beyond the control of the multinationals or private energy companies. Therefore the only way we, as a country, can stop that kind of blackmail, that threat and that lack of control, is to have the Government of Canada as a public authority begin to take an active role in energy policy-making in this country.

● (1600)

The private oil companies have no loyalty but to themselves. They are part of a multinational oil conglomerate, and they have interests which have no loyalty to any one country, but only to the over-all global plan of the multinational itself. If we are to avoid future situations, such as where a multinational like Exxon tells its Canadian subsidiary, Imperial, to do this or that—irrespective of what it means to Canadian policy—we must have public ownership and control of our energy sector.

We do have an option, and as a result of the policies that the New Democratic Party was able to pressure this government into taking during the minority parliament of 1972-1974 and during the energy crisis of those years when we held the balance of power, action which it would not have taken if it were in a majority situation, because the Liberals are just as wedded to the free enterprise ideal in the oil industry as are the Conservatives, now, however, we have Petro-Canada, the national oil company owned by the people of Canada through their federal government.

This company can provide us with an option to the kind of dominance by the multinationals in our energy sector. When Petro-Canada was set up we advocated that it take an active role in the beginning to buy back our energy resources so that we would have Canadian ownership and, hence, some Canadian decision-making authority in the field of energy in this country.

It was a very slow start under the Liberal government once it was returned with a majority in 1974, and Petro-Canada did not move in a big way into the energy market. I think, though, that the government has seen the logic of our argument, and it now realizes that one way we can get out of the current

dilemma is for Petro-Canada to play a larger role in our oil industry. This current crisis presents us, therefore, with an excellent opportunity to use our national, public petroleum company in a positive and progressive manner, and that is to avoid the kind of blackmail situation or arbitrary decision making taken by the multinational parent companies. Instead of Exxon dictating to Imperial or through Imperial to arrange the contracts for supply, the way out is to use Petro-Canada as the sole agency for arranging oil contracts with producing nations.

We know that the government of Venezuela is quite anxious to negotiate supply contracts on a government-to-government basis. Venezuela, of course, is the major supplier of oil to eastern Canada, since we do not have a pipeline from the west. Surely this is a golden opportunity for Petro-Canada to act as sole agent for purchasing all the oil which Venezuela is willing to sell to Canada. In this way we can avoid the kind of stranglehold position which Exxon has over supply from Venezuela. If Petro-Canada were the sole purchasing agent—and it would be a paper transaction since Petro-Canada does not have the tankers to move the oil—then it could farm out to the subsidiary companies in Canada the oil destined for Canadian markets. This is a short-term, interim solution to the problems we are facing now.

In the long term, of course, the real solution would be to establish a system which would preclude any subsidiary of a multinational oil company from dominating the market and being able to interrupt energy supply or cause an energy crisis to escalate, contrary to the interests of the Government of Canada. Our party has advocated for some years now that Petro-Canada buy out Canada's largest oil company, Imperial Oil, the leader in oil and energy decision making in this country, so that the Crown corporation could be the leader in the oil industry in terms of exploration decisions, supply decisions, and price decisions.

We know that Petro-Canada has bought out Pacific Petroleums but, again, it is not the major company. We still have a long way to go in order to control or break the stranglehold which the multinationals have on our energy sector. It appalls me to listen in this House to the Conservative party's answer to the dilemma we are in now. Of course, they would have us dismantle Petro-Canada, our only national oil company, and sell it back to the private sector. This would leave us right back at square one and in the kind of dilemma in which we now find ourselves.

If we do not have an option to the multinational companies in terms of a national, publicly controlled oil company, then we have no bargaining tool or policy at our disposal to reverse this dangerous trend which has developed. Surely Canadians who are concerned about pricing and supply should reject the policy of the Conservative party and make it known to them that their policy to abolish Petro-Canada is unacceptable and that it would work against the interest of all Canadians. If we are to have a national energy policy we need initiatives now to deal with an emergency should it arise, not just in terms of this bill, but some long-range plans, because energy is not only related to heating our homes or driving our automobiles, it is related to the whole manufacturing and industrial sector of our economy.

Think of the advantages, Mr. Speaker, we could have had as a nation if we had initiated a policy for national interests rather than relying on the multinational oil companies. Think of the advantages we could have had in terms of avoiding the kind of price increases that the OPEC nations were able to impose on North America. If Canada has an enlightened policy of public development of our oil supplies we would have a pipeline from east to west. We could have been self-sufficient in oil and avoided the kind of price escalation when oil quadrupled in price over a few years. Because the multinational oil companies did not want a pipeline built to eastern Canada, because they were more interested in developing our western reserves for export to the American market, we have had to rely on Middle East and Venezuelan oil for eastern Canada. Once the OPEC nations pushed up the price of that oil, eastern Canada had to pay the higher price and, as a result, the price was forced up in western Canada. But that is an old story and one that I need not go into because I think most members in this House are well aware of it.

We must not react from crisis to crisis by introducing measures such as we have before the House today. We have to use public instruments, such as Petro-Canada and legislation in terms of regaining control, to implement a policy of self-sufficiency in oil and natural gas or that will bring us as close as possible to that goal. This means, of course, extending the pipeline from Montreal to eastern Canada to provide oil eventually for that market, especially when the tar sands production comes on stream. It also means that we must reduce our exports of oil to the United States. We have exported so much of our oil that we now face shortages in the long term. We should be implementing a policy of storage of oil in some of the abandoned mines in Newfoundland and the maritime provinces so that we are not caught short. We should be looping the Sarnia to Montreal pipeline so that we can deliver more oil to the Montreal area in the event of interruptions or cutbacks in supply to eastern Canada.

Surely one of the things which we must look at with renewed interest and some urgency, to displace our dependence on imported oil in Atlantic Canada, is natural gas. That, of course, means extending the natural gas pipeline to the maritime provinces. That is an important goal. The government has expressed some interest in doing so. But I do not see the kinds of initiatives needed now to give some kind of relief to the poor consumer in Atlantic Canada who is paying outrageous prices for oil. We could displace some of that oil needed by extending a natural gas pipeline, because natural gas currently is priced at 85 per cent of the price of oil. That leads me to what is taking place this afternoon. The National Energy Board in an hour or so will release its decision concerning whether we will export more of our natural gas from western Canada to the United States.

● (1610)

Mr. Nielsen: The decision has been made already.

Mr. Symes: From all reports that we see in this morning's press, from the reports and the predictions it would appear that we will see once more western Canadian natural gas exported to the United States. I quote from an article which appeared in this morning's *Globe and Mail* written by Jeff Carruthers. He says:

> The National Energy Board has decided that there is a sufficient surplus of western Canadian gas to support new short-term exports of slightly more than 600 million cubic feet a day over 15 years or almost 1 billion cubic feet a day if a shorter, 10-year period is used.
>
> However, to achieve this, the NEB has had to modify its domestic protection formula used to calculate the amount of domestic gas that has to be set aside for "foreseeable" domestic needs, including new eastern markets.

I have not seen the report, which I say is due to be released in detail in a short while, and I have not examined the revision of the formula, but if this report in this morning's press is accurate that the National Energy Board is to allow natural gas exports, the only way it can do so is, as the report said, to revise the formula that declares what is surplus to Canada's needs. The indication is that the National Energy Board, in order to justify these exports, has revised the formula downward. It has given Canadians less protection in terms of what amount of gas should remain in order to meet our future demands. If that is true, it soon becomes quite obvious that the Liberal government is using this situation, and looking at the politics of the situation rather than the energy interests of Canadians. The Liberal government understands that by allowing exports of natural gas to the United States this will in turn have the effect of boosting the value of the Canadian dollar. That is a very important political consideration for this government on the eve of a federal election.

It would seem to me that what is happening here is that in the short term interests of saving the hide of the Liberal party by means of pushing up the value of the dollar by exports of natural gas, that short-term interest has taken precedence over the long-term energy interests of Canadians. That is indeed, Mr. Speaker, a sad commentary on the kind of thinking that goes on in the cabinet. As we know, the cabinet does give direction to the National Energy Board.

Here we are in the middle of an energy crisis approving more natural gas exports to the United States when it is so obvious that we need to ensure future supplies for Canada in this energy sparse world, and it is so obvious that Atlantic Canada needs this natural gas to help offset these high oil prices. Surely any government that had the interests of Canada at heart, instead of thinking of saving its political hide by hoping a short-term policy will boost the value of the Canadian dollar, would realize that we have to protect our future energy needs by ensuring that that natural gas remains in Canada for use by Canadians.

It seems so backward in our thinking that we should be exporting natural gas at this time in our history, especially when there are indications that certain areas of the United States, for example, Texas, have their own gas bubble or surplus. The Americans, I think, are rather shrewd; they prefer to keep their natural gas in the ground and use Canadian gas because they know what the future holds in terms of energy supplies.

We can only suspect the kind of decision that will be made by the National Energy Board, given its past record. In the past the National Energy Board, by listening to the multinational oil and gas companies, has told Canadians that we have an abundant supply not only of oil but of natural gas, enough natural gas to last us into the 21st century. We have seen how they have been proven wrong by overrelying on the figures which industry supplies to them. Only a short while ago industry was telling us that we would freeze in the dark and if higher prices were not approved new oil and gas would not be found and Canadians would face a disaster.

Suddenly after industry got its high prices, we are now told we have a surplus and we have to export it and get rid of it. Within a year the scenario will be that the industry will be telling us we have a natural gas shortage and that we need higher prices to find new supplies, and the cycle will repeat itself. How many times do we have to be burned by this short-sighted manipulation of figures by the industry, that our National Energy Board swallows holus bolus?

Surely, in the interests of Canadians, we have to oppose any decision at this time by the National Energy Board to export supplies of natural gas to the United States. The assumption that it is surplus to our needs is a false one. I believe that it is being based on a formula which does not look at our energy needs, and indeed, I think the Energy Board is being pressured by the government to allow these exports in the hope that the value of the Canadian dollar will increase and that will look good for the government as it heads into an election.

If we are to define what surplus means, not only must it be in terms of what our projected needs will be according to demand and consumption, but we must be looking at the term surplus in the view of processing more natural gas in Canada to develop a petro-chemical industry in western Canada. If we do that, then the definition of surplus takes on a whole new life. We will then begin to realize that we have to increase the supply of gas even more in Canada to develop a petro-chemical industry and thus provide jobs and dollars for our western provinces.

If we want to supply natural gas to eastern Canada we cannot allow these kinds of huge exports to continue. If we want to develop a petro-chemical industry we must cut back on these natural gas exports. If we want to ensure Canadians will have sufficient supplies of energy down the road, more than just 25 years or ten years' hence, then we must cut back on some of these exports. This can be done without jeopardizing the industry here in Canada.

Many small exploration companies can argue, quite legitimately, that if they cannot export they will suffer cash flow problems. Especially for the smaller companies it would seem to me a wise policy that both provincial and federal governments could buy natural gas and cap it off, leaving it in the ground, because we will need that gas in the future. Saskatchewan did this in the past and it proved a very wise decision. They were able to buy natural gas at six cents per thousand

cubic feet. The price today is around $2. That gas is there. It is able to be used by Canadians when they need it. Surely this is the kind of policy we should initiate now to ensure not only sufficient cash flow for the companies but that the gas will be there when we need it.

● (1620)

This whole pressure by the gas industry to export is one of shortsightedness in terms of our long-range energy needs. That has been proven in the past in the way that price and supply have been manipulated. Now we see the proponents of the Alaska natural gas pipeline that is to run through Canada again arguing before a committee of this House that they must prebuild the southern portion of the line in order to finance the eventual whole line that runs to Alaska.

What does that prebuilding mean? It means taking Alberta gas and running it through the southern portion of that line to the United States. In other words, Canadians are financing a natural gas pipeline that we were told in this House had no other purpose but to move Alaska gas to American markets. We will use up our Alberta reserves and export them to the United States at a price of around $2 per thousand cubic feet. We will eventually have to buy back because we will have used up our gas, paying around $4 for Alaska gas. There is no sense to that kind of economic argument other than to maximize the financial position of the natural gas pipeline companies.

The bill before us today, while helping us in terms of an emergency giving this federal government some powers to allocate supply if a crisis comes upon us, does nothing in the long run to solve the very severe energy situation in which this country finds itself because of past misguided policies of both Liberal and Conservative governments. I hope this gives Canadians an opportunity to wake up to the realities of the power of the multinational oil companies in the world today and realize that the only way out is through public ownership and control of our energy sector.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, in rising this afternoon I did not think I would have to begin by referring to some of the remarks of the hon. member for Sault Ste. Marie (Mr. Symes), but in view of the nature of them I certainly must do so. The hon. member was completely off base, completely wrong in suggesting that when the Minister of Energy, Mines and Resources (Mr. Gillespie) dealt with Imperial Oil about oil supplies for eastern Canada, he was begging, to use the word of the hon. member.

The minister was not begging. He was stating what it was necessary for a company to do, with the firm knowledge that he had the full support of the government behind him in what he was doing. No doubt he had support from certain other parts of the House as well with regard to any action that might have been required to ensure Canada's interests with regard to supply of oil. The Minister of Energy, Mines and Resources had earlier made arrangements with Venezuela and Mexico, in his usual forward-looking way, to secure oil supplies, and in the best interests of this country he will continue to do that.

I am also struck by the fact that the hon. member for Sault Ste. Marie liked to make and, in fact, remake a little history, and throw in a few other things to boot. He now thinks that a pipeline should have been built many years ago from central Canada to the Atlantic in order that oil from Alberta and Saskatchewan could be conveyed there. I am not sure that I recall the strength of the argument from any of his friends who lived in those areas of the country at the time the issue was current in that regard.

We developed the policy of building the pipeline to serve up to the Ottawa valley in order to secure supplies by the continued exploration and development of those oil resources in western Canada. We were doing that at some cost in terms of slightly higher oil supplies for this region, justifying that on the basis of security. In other words, in terms of governing policies, we were striking a compromise between the higher costs that had to be paid in the short run and the long-run good of security of supply.

We drew the line against imposing much higher costs for the eastern part of the country which had access to the lowest cost oil available in the world for many, many years. Through that policy we avoided significant additional cost to consumers of oil throughout the whole central and eastern region beyond the Ottawa valley and to the east. At the same time we developed other policies, which the hon. member criticizes, allowing certain exports to the United States so that exploration and development would thereby be encouraged.

I was intrigued by the fact that the hon. member for Sault Ste. Marie again criticized us for exporting oil to the United States. He criticized us for not having the oil flow into eastern Canada and the Atlantic, and criticized us for letting it flow to the United States. I understand each of those positions taken separately. However, when he said that because we let it flow to the United States, we disposed of so much oil that we developed for ourselves what he called a long-term shortage, he lost me. If it had flowed to the east instead of the United States, we would be in the same supply situation we are in now. The hon. member cannot have it all three ways. He absolutely cannot.

The hon. member was completely wrong in his analysis. It was typical of what I call eastern NDP members, and by that I mean those from central Canada. He insists that anything we did at that time had to be attributed to some policy or program that was favoured by the oil companies. He said that is why we did not build the pipeline beyond the Ottawa valley.

That is completely wrong. I was minister responsible for energy in 1969. Time and time again I was visited by representatives of the oil companies urging that we move in that direction, urging that the extra cost was worth while in terms of security. They were in favour of that. We were balancing the interests of the people of Canada in terms of lower cost oil available to them at that time. By our additional extension of sales into the United States, we were encouraging the very export and development we now have and which has been very important to us.

I do not know where we would be if we listened to the left and the right with regard to our exports. We would be a fully closed in nation. Just the other day the Leader of the Opposition (Mr. Clark) said that we should impose import surcharges, this at a time when the world is trying to move toward freer trade. He finds himself back with the Tories of the nineteenth century. It is clear that Clark's Tories are Tories of the nineteenth century. It is visible in everything they say.

He was going to impose import surcharges. The Tory leader, after criticizing higher prices on goods coming into this country because of the drop in the dollar, was going to impose import surcharges on top of that. Not only that, but he would threaten the whole access we have to the United States market because their balance of payments leaves them to think a little bit about that kind of measure which we must resist in the interests of freer trade.

The NDP, at least those from the east, constantly insist that we not sell anything to the United States. The hon. member for Sault Ste. Marie criticized us for selling oil in days gone by to the United States, which was done in order to encourage export and development in Alberta and Saskatchewan. He could not say that honestly and fairly in the face of his friends from the province of Saskatchewan. He discourages us now from exporting gas to the United States.

● (1630)

Just the other day I heard a Conservative spokesman say we should not sell wheat to the Soviet Union. That would be his reaction, he said, for a variety of reasons having to do with certain policies followed by that country. So for one reason or another we would export nothing as a result of positions taken by people from the right or from the left.

The bill before us is important as a consistent part of government policy to make sure we have in place mechanisms to deal with problems of oil and energy. We feel that its early passage is extremely important, and we urge hon. members to make this possible—I understand there is now some agreement that it may go through. The current instability in the Middle East, the problems in Iran, the mobilization of the Saudi Arabian army all make it important that the bill should become law and perhaps justify the comment of the hon. member for Sault Ste. Marie that it might have been better had we omitted the sunset clause which now obliges us to spend a great deal of time considering this legislation once again.

Notwithstanding our desire to deal with this matter swiftly, it is important to note that the government's policy with regard to energy has been consistently one of looking ahead, of balancing the interest of obtaining secure supplies against the advantages of access to supplies at as low a cost as possible. Members of the New Democratic Party are caustic, but are they caustic about the fact that we intervened to make sure that prices in Canada would not immediately and in too rapid a fashion reflect the drastic oil price increases which are occurring? Are they caustic about the fact that we have in place pricing mechanisms which mean that the tremendous potential for price insecurity, the tremendous potential for sudden rises in price, will not have an impact in Canada in any immediate way—that from the Atlantic to the Pacific and, beyond that, to both islands, there are arrangements which secure reasonable prices in this country and provide that only over a gradual period the increases which are going on in the world, and against which we cannot isolate ourselves for ever, will come into effect?

Many have testified to the wisdom of Canadian policy with regard to balancing the various factors involved. Only yesterday before a Senate committee a spokesman for the Northwest Alaskan Pipeline Company, Mr. John G. McMillian, who is also the chief executive officer, was testifying about pipeline and energy matters. Senator Lucien had asked him whether anything on the Canadian side had caused any delay or problem from his point of view. His answer is instructive because, before dealing with that precise question with regard to pipe lines, he said:

> No. In fact, we can only compliment you and your government. First, in 1973 when you had an oil crisis you evolved and developed an energy plan that has paid off. Your energy plan is working. You are getting conservation. You have had activity in exploration; you have developed new resources; you are to be complimented on that.

Then he went on to say that we were also to be complimented upon dealing with the pipe line in an expeditious way.

Some hon. Members: Hear, hear!

Mr. Lang: That is some outside testimony with regard to the manner in which we have accomplished matters here.

The hon. member for Sault Ste. Marie rather touchingly tried to take a good deal of credit for Petro-Canada. I am delighted that he recognizes the value of Petro-Canada. He takes credit for it because the legislation setting it up was developed at a time of a minority government. Of course, in that sense he might actually have had the chance to vote for it and support it, if he were here at that time.

Mr. Knowles (Winnipeg North Centre): Tell us the whole story!

Mr. Lang: Let us consider Petro-Canada and the important role which was foreseen for it by the government—how completely consistent it is with what the government has done and with what Liberal policy has been over the years in taking action over the years where free enterprise often operates. If I might bring back memories of other voices, that means government action and ownership of private enterprise when necessary, but I will paraphrase slightly and say "only when necessary". I think this states very accurately and very well a good policy for a government of Canada to follow.

The example of Petro-Canada was not brand new. I am talking in particular, really, of its forerunner, of the development of Panarctic and the government's investment in it. I am thinking of the fact that years earlier a majority Liberal government, a government which the hon. member cannot claim to have supported in any way, invested in Panarctic at a time when it was not possible to get private investment to go

alone into the risky areas of the north. The Hon. Arthur Laing deserves a great deal of credit for seeing that this was a need which fitted well into the Liberal policy of moving when necessary into areas where private enterprise was not willing or not able to do the job at the time. So this is not a new policy and it does not smack of socialism as the Clark Tories seem to think.

Another example which is consistent with Liberal policy was the creation some 40 years ago of Air Canada. The architect was C. D. Howe, a predecessor of mine, in many ways of whose actions and activities I am very proud. He is not usually thought of as in any way a socialist or as a destroyer of free enterprise. I would recommend to the Clark Tories that they begin to read a little about the philosophy that brought about such a development. At that time, private enterprise was unwilling to produce a Canadian airline. We thought we needed one and therefore we moved to create such an airline so as to serve many communities in this country. That was the only way of getting it. In today's conditions, such action in the aviation field would not have been necessary. But it is necessary now to do something in the area of oil supplies.

Just as, earlier, Panarctic was needed as the explorer in the north and in the Arctic, so Canada needs to acquire additional ownership in a field about which the role and domination of foreign owners has caused so much concern. Petro-Canada has already, in the very short time of its existence, done really great things. The hon. member thinks it has been slow to get off the ground, but in that short period of four years a great deal has been achieved. It is participating now in exploration in Labrador which otherwise would not necessarily be taking place; it has joined in the development of heavy oil projects. Otherwise we might very well have seen a stagnant situation in an area where there is an important need. In bringing Pacific Petroleums to Canadian ownership we made a long-term contribution to our future in oil and oil resources.

Some hon. Members: Hear, hear!

Mr. Lang: Indeed, Mr. Speaker, it could even be said that Petro-Canada contributed one more important Canadianization effort in the reintroduction of Husky Oil here, because its activities in that regard brought this about in a very real and significant way. Yet the Clark Tories would sell off Petro-Canada, would move this important device out of existence. They would throw it away, and for that reason alone the people of Canada should hold them up and ask them to explain what they mean and what they would do, and why. If it is anything but a desire to please a few key supporters in certain places in Canada, I cannot think what it could be. Those same people should know that province after province has embarked upon enterprises like this when necessary, and that country after country around the world, of every kind of political complexion, has found it necessary from time to time to take direct government action in relation to oil ownership and energy ownership, just as we have with Petro-Canada.

The people of Canada will ask the Leader of the Opposition how he can justify risking their security of supply and their position in development and exploration while at the same time saying he intends to dismantle and throw away Petro-Canada. It will not wash, Mr. Speaker. The people of Canada will not accept that kind of action.

● (1640)

There is another matter which perhaps deserves consideration in relation to this bill. As I say, I hope we will now move forward quickly.

Mr. Paproski: If you sit down, we will.

Mr. Lang: That other matter is the position of the Conservative party with relation to whether the federal government should act at all and whether it should play a role with respect to energy resources for Canadians. We have just completed a constitutional conference at which one of the key issues was the position of the federal government on natural resources, and the position to be accorded to the provinces in which those natural resources are found. This federal government reached out as far as it could possibly be expected to reach to find a position which would be satisfactory to provincial interests with regard to provincial ownership, provincial financial rights, and provincial control of the disposition of natural resources in the provinces.

We wrote sections in a proposed draft constitution which effectively gave to the provinces not only recognition of their ownership but also a very full recognition of their place in relation to revenue from these resources. We gave them taxing power, even when that taxing power is indirect in relation to these resources, in the texts we had before us at that conference. We said they could have a good deal of control over distribution, disposition, and exploration of these resources.

Some qualifications were agreed upon. One was that this should not be discriminatory as between provinces in such a way that they could somehow favour one neighbour over another. That was agreed upon. Where the line was drawn was where we felt that there were times when, as a federal government protecting Canadians throughout this country, we needed the ability to legislate in order to ensure that those resources were there for the use of all Canadians. The words we wanted to use as an occasion for our ability to legislate were that we could do so under the federal trade and commerce power when there was a compelling national interest.

Premier Lougheed of Alberta refused to accept that position. Coming from Saskatchewan, I was delighted that Saskatchewan was willing to agree to that. In that regard Mr. Blakeney said at the conference, and I quote:

> —and I commend the federal government for their flexibility and their willingness to accommodate in many of these areas.
>
> I would underline that. We for our part came here with the same point of view.

Seeing that we had gone as far as we ought to go at that particular point in time, Premier Lougheed said that he would not accept words which said that a compelling national interest should be a ground for federal legislation, whatever we do in relation to the full control of provinces over their resources.

Perhaps it is not surprising that Premier Lougheed took that position because, some years before that, he said he was not a compromiser. That is an interesting phrase, because surely as Canadians here in this parliament from all over the country, whether in our caucus, in cabinet, or in Tory or NDP caucuses, we learn over time that a balanced view must be taken on a specific issue at a specific time. That must be the role played by a federal government for all of Canada. That is a national role which must be played.

Some hon. Members: Hear, hear!

Mr. Lang: Premier Lougheed did not necessarily want to be in that position because in 1977, when he declined to seek what some thought he might, the leadership of the national Conservative party, he was asked about it, and he said at that time that he did not want to go to the central part of Canada, into the federal government. He said, and I quote:

> If you go to the centre, you have to compromise your position as a spokesman for the West. I don't have to compromise anything to anybody in terms of Alberta.

Perhaps that is an extreme position to take in terms of what is necessary in the national interest. I prefer the reasonableness of Premier Blakeney for being willing to compromise in the end, and for saying that what he was getting was adequate to protect Saskatchewan. And Premier Blakeney has not been weak in his defence of provincial rights. I think everyone will acknowledge that.

I do not say that I find it amazing that Premier Lougheed would take the position he took and then argue on behalf of Alberta that he wanted everything, including a complete veto, even when there might be a compelling national interest, but I was astonished that the Leader of the Opposition, leading the Clark Tories down a particular path, should say at that time that he agreed with Premier Lougheed. Here we have a Conservative leader who would dismantle Petro-Canada and throw it away, and who would also say that he would not necessarily demand that a federal government have the power to legislate in relation to resources and security when there is a compelling national interest requiring that legislation. That must be put down alongside other statements on energy policy by the Leader of the Opposition, and it must be judged by the people of Canada.

We need this legislation now. I commend to the House—and I believe this is its wish—its early passage. I hope this bill will be dealt with very quickly in the committee. As hon. members know, this bill was studied clause by clause in parliament, and we see that there are very few changes. Therefore, the bill should be back before us very quickly. I hope that will happen and that the bill will be part of the armory of the people and the Government of Canada in making sure that energy matters are dealt with properly in this country.

Some hon. Members: Hear, hear!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, about half an hour ago my good friend, the Parliamentary Secretary to the President of the Privy Council (Mr. Pinard), came over and asked me whether we had any more speakers at this stage of the debate. I told him we did not. That was a categorical answer, and I assure the House that we had no intention at that time of extending the debate any further. Even now I intend to take the floor for only a few minutes, but the Minister of Transport (Mr. Lang) will not be surprised.

Mr. Symes: He is the cause.

Mr. Knowles (Winnipeg North Centre): He is partly the cause of it, but his friend, the Deputy Prime Minister (Mr. MacEachen), also made a speech a few days ago in which he said some of the same things the Minister of Transport said today, and I think a moment or two should be taken just to set the record straight, to coin a phrase around here.

It has been very refreshing listening to the praise of public ownership we have heard from the Minister of Transport. He even used the word "socialism". This is a great day! I am encouraged, because at times the minister gives the impression that he is the biggest privatizer of all on either side of the House.

I hope Air Canada or the Canadian National Railways will not now be sold off. The minister indulged in a moment of praise for the late Right Hon. C. D. Howe. The minister gave him credit for bringing Trans-Canada Airlines into being as a Crown corporation. That credit is fully deserved by the late Mr. Howe. I do not know whether it reached the record or not, but when the minister spoke about that I interjected that Mr. Howe was provoked into doing what he did by the Canadian Pacific Railway, and the authority for that statement is Mr. Howe himself. In fact, on many occasions he tried to explain that he was not a public ownership person, or a socialist like the Minister of Transport, that he had tried to get the Canadian National and Canadian Pacific to join together in setting up the Trans-Canada Airlines, but the CPR would not go along. It was not interested in the future of Canada, it was interested only in profits.

● (1650)

The Minister of Transport must not go away now—

Mr. Lang: I give you two minutes.

Mr. Knowles (Winnipeg North Centre): Five minutes, and then you can go. Mr. Howe was so provoked by this that he took the bull by the horns, as it were, and brought in Trans-Canada Airlines as a publicly owned corporation.

The reason I asked the minister not to go away is this. I will not try to tell the whole story today, and there are many reasons why I will not do so. I simply hope that some day when some graduate student is doing his Ph.D. thesis—they are doing them all the time and we make our contributions to them—and he is asked to do a study of PetroCan and how it came into being, I hope that student will be given access to my files, to the files of David Lewis, to the files of the President of the Privy Council, and to the files of the cabinet generally, and that the student will be able to tell the story as it is.

I am not asking the House or the country today to take my version as the whole story, or to believe the government. But for this minister and the President of the Privy Council to stand up and try to tell us that Petro-Canada was their idea only, that it had nothing to do with any pressure from members of the NDP who held a certain whip hand in that minority government, is not right.

I have a good memory of the conversations that took place. I have too good a memory of November and December, 1973, when we were closer to an election than some of us liked in view of the kind of weather into which we were heading. I remember having to phone David Lewis, who was up at the tar sands, to tell him that the government had agreed to the four points on which we were insisting and had agreed to bring in Petro-Canada. If I were to tell the whole story, I would have to say that David Lewis was just a bit unhappy because he wanted the election, but he realized that if the government was going to bring in Petro-Canada and agree to the other three points we had made, we would have to continue to support that government.

As I said, I will leave it to a Ph.D. student to write about it some day. He can examine the records and files of all of us. That is all I need to say. The minister can go now, if he wants to.

Mr. Lang: May I ask the hon. member a question before I leave?

Mr. Knowles (Winnipeg North Centre): Yes, go ahead.

Mr. Lang: I want to ask the hon. member whether he has ever heard of the briar patch?

Mr. Knowles (Winnipeg North Centre): Which one of us is Brer Rabbit? I just wanted to get it clear that it was not a free initiative on the part of the government that Petro-Canada was created. Maybe they believed in it as C. D. Howe believed in Trans-Canada Airlines and the Liberals believed in the Canadian National Railways and as they have some other things in terms of public ownership, but the story, when it is finally told by some researcher in history, will be a lot different from the story that has been given to us by the President of the Privy Council or the Minister of Transport. They have been giving us fiction; some day we shall have the real story.

The Acting Speaker (Mr. Turner): I give the floor to the Minister of Energy, Mines and Resources (Mr. Gillespie) and I point out to all hon. members that when the minister speaks now, he closes the debate.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, in closing this debate on second reading I should like to say that it has been made very clear in speeches by hon. members opposite and hon. members on this side of the House that we are dealing with a matter of security of supply, security of the Canadian supply, security of the Canadian economy, and security of particular regions of Canada, particularly Atlantic Canada and a large part of Quebec, because, as hon. members know, that part of the country is dependent on foreign oil for 100 per cent of its supplies.

The hon. member for Sault Ste. Marie (Mr. Symes) suggested that the solution to that problem was to build a pipeline down to Atlantic Canada. Perhaps he has forgotten the situation. Perhaps he has forgotten what the National Energy Board had to say about our oil supplies. If he had read those reports, he would have recognized that there has been a significant change for the better as a result of the policies put into place by the government over the last few years.

A little over a year ago the National Energy Board was saying that there was not enough Canadian oil in the west to move through the pipeline, which was built by this government and subsidized by this government, into the Montreal market. That pipeline—which, as I said, is subsidized by the government—is now moving more than 300,000 barrels a day of Canadian crude into the Montreal area. That has reduced our dependence on foreign oil from 800,000 barrels a day to 500,000 barrels a day, very close to a 40 per cent reduction in the level of foreign supplies on which we have to depend. But a little over a year ago the National Energy Board was warning Canadians it would be necessary perhaps to reverse that pipeline, that the oil in the west would not be sufficient to continue moving through the pipeline into Montreal for more than a few years. The early eighties were the time they were suggesting we might have to reverse that pipeline and bring imported oil into the Ontario market.

The last report of the National Energy Board on the oil supply requirements which was issued by them in the past fall indicated that there had been a significant change in the supply situation, that instead of having to contemplate a reversal of the pipeline in a few years, we can now look forward to sustaining the movement of oil from the west to the east. But they also made quite clear that we do not yet have enough oil to contemplate looking after Atlantic Canada from Canadian sources.

Hon. members will know that there is a pipeline in place. But for the hon. member for Sault Ste. Marie to suggest, as did the hon. member for Don Valley (Mr. Gillies), that we should be building a pipeline to the east is to suggest that they have not done their homework, that they are not really familiar with the distribution systems in the country. There is a pipeline from Montreal to Portland which could take Canadian oil down to Portland, Maine, and then by tanker around to the Atlantic ports. There is only one problem at the moment, that is, insufficient oil in place to sustain the movement of oil through that pipeline. That raises one of the really fundamental questions for Canadians that was touched upon very briefly by the Minister of Transport (Mr. Lang) in his remarks today.

One of the really basic questions is: How do you ensure security for Canadians when the federal government does not have control over the pace of development of the large western tar sands and the heavy oils of the west? The Minister of Transport referred to compelling national interest and the importance of interpreting this in terms of trade and commerce. I put this question to the Leader of the Opposition (Mr.

Clark) and to opposition members: is compelling national interest not going to be a reason for the federal government to consider other measures to ensure the development of the tar sands and the heavy oils? That will be one of the big questions to which Canadians will have to address themselves in the months to come.

There is another aspect of security of supply which is important to Canadians, and it has to do with the question of prices. We on this side of the House know that if it had not been for the Liberal government, the federal government would not have the power, through the Petroleum Administration Act, to establish prices, to establish a domestic price in Canada which is lower than the international price. If the Tory policy with respect to pricing were in place today, there would be no security for those in eastern Canada with respect to the kind of erratic price movements we are seeing, higher price movements being announced by the Middle East and the other supplying nations. There would be no security for Atlantic Canada with respect to price if it was not for the federal government's Petroleum Administration Act.

• (1700)

Some hon. Members: Hear, hear!

Mr. Gillespie: If Tory pricing policy were in place, we would see a government which would be saying, "We are going to let the Arabs and the OPEC nations decide what price Canadians should pay and what the price in Atlantic Canada should be." If they did not say that, probably they would say, "We will let the government of Alberta decide that for us." I see an hon. member opposite nodding. I assume that is still the position of his party, that they would not interfere as a federal government with the establishment of a fair price for the oil Canadians need. That is a major difference between the Liberal government and the Tory opposition.

Some hon. Members: Hear, hear!

Mr. Gillespie: A good deal has been said by hon. members opposite about the national oil company, Petro-Canada. I should like to put on the record some of the things they have said in the past. I should like to refute them, because I think this is a very important issue from the point of view of security of energy supply for Canadians.

I should like to refer to a speech made by the hon. member for York-Simcoe (Mr. Stevens) on July 2, 1975. In the course of his remarks, as reported at page 7202 of *Hansard,* he stated the following:

> The truth is that PetroCan is a socialistic dream. They have conjured up in their minds the impression that the petroleum industry is not owned by Canadians but is owned by foreign corporations. That is not in accordance with the facts. Canadians own the petroleum in this country.

Also he indicated that this was entirely different to what the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) said.

The chief financial critic, or the member of the Tory party who would like to be thought of as the chief financial critic, said in 1975 that Canadians own the petroleum and the petroleum industry of this country. Anyone who has followed the scene knows the petroleum industry largely has been foreign-controlled, and that it is probably close to 90 per cent foreign-controlled. Anyone who has followed the scene knows Petro-Canada, which was created a little over three years ago, now is the first ranking Canadian company and the only Canadian company in the top ten of the petroleum companies in this country.

Some hon. Members: Hear, hear!

Mr. Gillespie: It seems to me the chief financial critic of the opposition was attempting to mislead the Canadian public by the suggestion that somehow or other Canadians own and control the industry. What do the Tories have against the national oil company? Apparently nothing, as long as the national oil company operating in Canada belongs to some other country.

A short while ago the hon. member for Calgary Centre (Mr. Andre) suggested that the Japanese national oil company did not exist. As reported at page 3433 of *Hansard* dated February 20, 1979, he said the following:

> The four strongest economies in the world are those of the United States, Germany, Japan and Switzerland. Not one of those countries has a national oil company.

Hon. members will know that the United States has no need for one as five of the Seven Sisters exist in the United States. Certainly hon. members on this side of the House know that the other two countries, Germany and Japan, have significant state ownership in national oil companies. The hon. member for Calgary Centre should have known this because the Canadian affiliate of the Japanese national oil company has a joint venture with the Canadian national oil company, Petro-Canada, in the in situ development of the tar sands.

If the Leader of the Opposition were to form the government, he would dismantle Petro-Canada. He would get rid of it or, to use his words, he would wind it up.

Mr. Oberle: He did not say that.

Mr. Gillespie: He would wind it up, a favourite phrase which he has repeated many times. What the Leader of the Opposition is saying is that he would turn over the joint venture between Petro-Canada and the Japanese national oil company affiliate, which one of the official critics of the opposition indicated did not exist in Canada, presumably to one of the multinational corporations in Canada. I do not see how Canadians or members on this side can take any other implication out of the hon. member's remarks when he said that he would wind up the national oil company of Canada, the Canadian national oil company which has entered into a joint venture with a foreign national oil company.

The opposition does not seem to realize that the very significant joint venture which Petro-Canada entered into off the Labrador coast is with EastCan. EastCan is a very significant investment, through a series of corporations, by the French government. Again the Leader of the Opposition would

dismantle, sell, get rid of, or wind up the Canadian national oil company. He would have to say to the President of France, "I am sorry, we are not in a position in Canada, as a matter of Tory policy, to enter into joint ventures with your national oil company. We cannot deal with you; we do not want to deal with you. Make your own deals. Why don't you make a deal with one of the multinationals?" That is what EastCan was doing before Petro-Canada moved in on this joint venture.

Canadians living in Atlantic Canada recognize the importance of Petro-Can to Atlantic Canada. Just the other day the energy minister of Newfoundland extolled the virtues of Petro-Canada in terms of the planning and development of the oil resources off his province and off Labrador. On an earlier occasion the hon. member for St. John's East (Mr. McGrath), in a question directed to me, pushed hard for more activity on the part of Petro-Canada off the Labrador coast. Yet the Leader of the Opposition said that he would dismantle Petro-Canada, the first and only Canadian company in the first ten. He would get rid of it, he would sell it.

Mr. Pinard: It is unbelievable.

Mr. Gillespie: He would stab it in the back. I hear the comment, "It is unbelievable". It is unbelievable, incomprehensible, and ludicrous.

Some hon. Members: Hear, hear!

Mr. Gillespie: Perhaps some members opposite feel somewhat uncomfortable. Perhaps some of them are hoping that the confusions of the hon. member for Northumberland-Durham (Mr. Lawrence) will tend to fudge this issue of Petro-Canada, but let me remind them of a few things which happened recently. In a speech in Calgary on April 7, the Leader of the Opposition said that first they, "would cut the role of government in Canada and encourage the risk-taker, the worker and the Canadian who want to reach out and build in this country." Also he indicated that it would be done in the following ways, amongst others: "We would get the Government of Canada out of Petro-Canada." That is what the Leader of the Opposition said in 1978 in Calgary. He repeated the same theme before the Canadian Club in Montreal on March 13, 1978. More recently he repeated the same theme in other centres across the country. Some opposition members are starting to feel somewhat uncomfortable. I have referred to the discomfort of some of the Atlantic members with the position of their leader on this issue.

I should like to refer to some of the comments of the official energy critic of the Conservative party, the hon. member for Northumberland-Durham. At page 3386 of *Hansard* for February 19 the hon. member is reported to have had this to say:

● (1710)

—the intervention of a state oil trading company in the middle of complex, complicated negotiations and dealings between people in the private sector and people in the producing field would not add anything toward the solution of the international energy crisis of today.

He went on to say:

I do not believe that the intervention of Petro-Can in the Mexican transaction, or in the Venezuelan transaction, would have been any help at all.

This clearly demonstrates the total bankruptcy of policy on the part of the Tory party, the official opposition, in respect of the role of a national oil company which other countries have seen to be important to their security.

Some hon. Members: Hear, hear!

Mr. Gillespie: The hon. member and the official opposition do not seem to realize that the western hemisphere sources, Mexico and Venezuela, can be enormously important to Canada. Right now Venezuela is supplying roughly 40 per cent of our energy needs, and Mexico has offered to supply another 20 per cent, equivalent to the amount of oil we were getting from Iran.

Both these countries, Mexico and Venezuela, have national oil companies, and both countries have said they want to deal on a direct basis and would like to deal with our national oil company. In Venezuela the national oil company there, Petroleos de Venezuela, has already established a working relationship with Petro-Canada. Petroleos de Venezuela and PetroCan are going to be participating in four important research and development projects aimed at the production and development of heavy oil. Both countries have enormous potential there. Petroleos de Venezuela, the national oil company, is not saying it wants to deal with some multinational corporation. It is saying it wants to deal with Petro-Canada. It has made it very clear it wants to deal with Petro-Canada.

Venezuela has heavy oil and the importance of Venezuela to our future in terms of helping to unlock the secrets of heavy oil can be just as important as Venezuela has been in the past. It is a country which supplies Canada with close to 40 per cent. It is a major supplier for over 40 to 50 years of oil, and it wants to deal with Petro-Canada because it recognizes the importance of this national oil company. We want to deal with Petroleos de Venezuela because we recognize its importance to our future as well.

Some hon. Members: Oh, oh!

Mr. Gillespie: Mr. Speaker, it seems to me members of the opposition are getting a little uncomfortable. As I said a little earlier, there are members on the opposite side who are uncomfortable with the official position of their party, and who are very uncomfortable with the position of the Leader of the Official Opposition. That is becoming apparent from the comments and heckling on the other side.

The official energy critic of the Tory party said he did not see how Petro-Canada could be particularly helpful in the Mexican transaction. He was referring to the undertaking that Mexico has conveyed to us. The government of Mexico conveyed the undertaking to me in Mexico City in early January that it would be prepared to guarantee 100,000 barrels a day. That government has said it wants Pemex, its national oil company, to work out the details with our national oil com-

pany, Petro-Canada. That government did not say to me that it wanted its national oil company, Pemex, to work out the details with anybody else. It wants the deal made between the national oil company in Canada and the national oil company in Mexico. This is what security of supply is all about.

Later on in the same debate the hon. member for Northumberland-Durham is reported as stating, at page 3387 of *Hansard*, and he was talking about arranging contracts with Venezuela and Mexico:

If Petro-Can did follow this useless intervention, to my mind consumers' costs would go up.

He does not recognize security of supply when it is staring him in the face. Again he was against Petro-Canada, yet a couple of days later on February 25, as reported in the Sunday Toronto *Star*, he stated:

The Conservative party is not necessarily against having any sort of international oil-trading corporation. It may well be that we might need . . . should have . . . one—

The energy critic was starting to feel uncomfortable. He was starting to feel the concern of Canadians, the concern of the public. He started to become aware that the public was uncomfortable, as are members of his own party, with the official Tory position.

Just when we thought the Tories were about to jump the other way we saw another CP report of a couple of days ago which said that the Conservative energy critic denied government charges Monday that his party has revised plans to dismantle PetroCan, the government oil company. Quite clearly the hon. member for Northumberland-Durham has once again established that the official position of his party is to dismantle the national oil company.

I have referred to the Japanese national oil company, which is operating in the Athabasca oil sands with Petro-Canada, a corporation which the hon. member for Calgary Centre seems to be unaware of, and I have said the German government has a significant interest in another corporation, Deminex. It is small and I do not want to suggest it is a large corporation, or anything as large as PetroCan. It is a small corporation, but the point is that the German government, which was referred to by the hon. member for Calgary Centre, recognizes the importance of a corporation in which it has a significant or controlling interest in terms of providing security of supply, in the same way that the British government recognizes this.

As you probably know, the British government has two corporations in which it has the controlling interest, British Petroleum, and the British National Oil Corporation. The French government has controlling interest in oil companies for its security of supply. The Italian government has a controlling interest in a national oil company, and the Japanese government has a controlling interest in a national oil company. They recognize the importance of national oil companies to security of supply. Quite clearly there is a bankruptcy on the part of the Tory party in respect of the importance of national oil companies. There is little understanding about the importance of security of supply and the instrument that can attain security of supply for Canada, and I refer to Petro-Canada.

I hope it will be possible to move this bill through the committee stage and bring it back to the House at a very early date. It may be possible to bring this bill back to the House on Friday. The Standing Committee on National Resources and Public Works, I am told, is ready to consider this bill. I am told as well that none of the provinces, when this bill went through the House the last time, raised any objections to provisions in the bill then, nor have they since. The last time this bill was in the House it received considerable discussion and attention, and I would hope, given the urgency of the situation outside this country—the revolution in Iran, the report of the mobilization of the armed forces of Saudi Arabia today, and the reports of the erratic price behaviour by the other OPEC producers, the unexpected increases—it will receive speedy passage. There is also the possibility that the United States may invoke rationing in the very near future. There are reports that the government of the United States has submitted legislation to Congress dealing with mandatory allocation measures and a rationing system.

● (1720)

Given these factors, and given the fact that Canada is a member by treaty of the emergency oil sharing arrangement under the International Energy Agency, whereby we would be obligated to invoke an allocation system in the event that world consumption were reduced as a result of shortage of supply by 7 per cent, and given the fact that we are 5 per cent already on a world-wide basis—which is not all that far away from the 7 per cent, the trigger level, as it is called—I would hope that the House and all parties would deal with this matter expeditiously so that we might deal with it in third reading form later this week.

Motion agreed to, bill read the second time and referred to the Standing Committee on National Resources and Public Works.

* * *

[*Translation*]

NATIONAL HOUSING ACT

MEASURE TO AMEND

The House resumed from Monday, February 26, consideration of the motion of Mr. Ouellet that Bill C-29, to amend the National Housing Act and the Central Mortgage and Housing Corporation Act and to make other related amendments, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Marcel Roy (Laval): I listened very carefully both to the Minister of Transport (Mr. Lang) and to the Minister of Energy, Mines and Resources (Mr. Gillespie) and I felt, Mr. Speaker, that as a Canadian coming from the eastern part of

the country, my interests were much better served and more secure—

Mr. Deputy Speaker: Order, please. I must advise the hon. member that, in this debate on Bill C-29, relating to the National Housing Act, he cannot deal with the subject of a bill we have just passed, otherwise other hon. members will want to do the same.

Mr. Roy (Laval): Mr. Speaker, I was just going to deal with the bill before us which, I think, confirms once again the move of this government to protect and serve more efficiently the interests of Canadians, a measure which hopefully will be supported by all Canadians. For this reason, the suggestion in Quebec now is that the Progressive Conservative party's greatest challenge is to find 60 candidates to cover the 75 constituencies in the province.

Mr. Speaker, Monday last I was giving enthusiastic support to Bill C-29 to amend the National Housing Act, thus highlighting the Canadian government's goal of using a new approach with other levels of government, a global approach under which three current projects, the neighbourhood improvement program, the municipal infrastructure program and the municipal incentive program would be merged into one, the community services grant program that would have an annual budget of about $150 million for 1980 and an expected $250 million for the next year, and if the various provinces so desire, further consultations could be opened to clarify certain technical points. If further improvements are desired, it will be perfectly possible to introduce them in later years, after those two years I referred to with financial commitments of roughly $150 and $250 million respectively.

This new approach stems from the requests of provincial governments wishing to assume fully that administrative responsibility which has been recognized by the Canadian government. The government will maintain its financial contributions along with other levels of government for the well-being of Canadians in order to improve the environment through better community services. The federal contribution will not be restricted to new housing or housing improvements, it will apply to the creation of community services extended by municipalities. Most importantly, this legislation has the flexibility needed. Municipalities that so desire can build community centres, or public parks, or public libraries, or they can improve municipal buildings.

Last Monday, I expressed my concerns with this new departure in social housing, based on the past performances of provincial governments. I referred to Canadian government commitments vis-à-vis the provinces in fiscal 1977. The Canadian government had allocated the provinces $353 million of public housing funds for people who need it most, people in the lowest income group. Of that amount, $199 million only were used in fiscal 1977.

• (1730)

One could denote at that time a little lack of enthusiasm on the part of provincial governments for the construction of public housing. But those worries might be set to rest because this bill does not put on the back burner non-profit organizations and housing corporations which will play an important role in the construction of housing for lower income people to help the Government of Canada reach the annual objective of 30,000 new housing units for low income people compared with the 19,000 now being built.

These are important amendments to the National Housing Act because non-profit organizations will be able to get financing from private organizations and lending institutions, and the Government of Canada will pitch in a special subsidy to reduce the interest rate, the commercial rate that can go from 11 per cent, 12 per cent or 13 per cent to 2 per cent. The subsidy will be paid annually by the Government of Canada to reduce interest rates and thus the liabilities of those.

Mr. Speaker, again I want to congratulate the ministers and the officers who played a major role in the Central Mortgage and Housing Corporation because the end result, as I mentioned Monday, is very good. I think that result in the housing sector will also be reflected in the result we will get in the energy area. In the past four years 250,000 housing units were built in Canada. We can make a comparison because the Progressive Conservative party seems to go and get ideas from our American friends.

Here are our accomplishments in Canada during the years 1967 to 1977: on average ten new housing units were built in Canada per 1,000 population while during the same period the proportion in United States was only 6.8 for the same number of people. I think this indicates our housing policies were not all that bad. But there are also other comparisons which can be drawn to confirm once again that performance by the Government of Canada in recent years. I refer to the 1968 Gallup poll on housing. What were the results of that 1968 Gallup poll on housing? The results of that poll indicated that 60 per cent of people were satisfied with their housing, but 34 per cent were dissatisfied, and 6 per cent did not have an opinion.

Let us now look at the situation ten years later. Another Gallup poll was taken asking the same questions to ensure better continuity and easier comparison. Here are the results of this poll on housing taken at the end of 1978: 85 per cent of Canadians were satisfied with the housing situation and only 13 per cent were dissatisfied. This is a most positive result which confirms the extent to which the Trudeau government has applied itself to housing conditions in Canada, and I wish to take this opportunity to congratulate also those who contributed to this success. Of course, this success is due to the initiative of the government, through its ministers and members of parliament, but also to the assistance of the builders and all financial institutions.

This national success is also reflected in the various provinces. As I represent a city which now has a population of more than 250,000, I had a survey made to find out to what extent the federal housing authority had contributed to housing in Laval. The Central Mortgage and Housing Corporation provided the following statistics on insured loans granted to home buyers in the city of Laval. From 1968 to 1977, authorized borrowers received $152,272,000 to build 7,279 units. Thanks to the direct loans granted under section 15, we were able to build 3,960 housing units for which financing amounted to $45 million.

Let us now look at the contribution of the Canadian government to the infrastructures in Laval. Once again, we find that the Central Mortgage and Housing Corporation made a major contribution to urban development, either through water purification projects, sewer systems or water systems, and I see here a figure of $8 million for 1976 alone. There is a contribution of $2 million for 1977, and I believe that in 1978, the amount of financing will exceed $8 million. In this case, we got about 25 per cent of the loan. So the Canadian government subsidizes home buyers and provides assistance at the municipal level for the construction of sewers and water pipes.

I asked how much money the Canadian government gave to the city of Laval for the construction of high-density units. Under his policy, the Canadian government gave $1,000 per unit. The policy ended last December. At that time, we provided a subsidy of a little over $2,158,000 for housing to reduce construction prices and thus to lower rents.

I have also a list of direct loans granted by the Central Mortgage and Housing Corporation to construction companies building senior citizen homes for non-profit organizations.

The people of Laval, and I am convinced that the situation is the same in the ridings of my colleagues in this House, have built in Sainte-Rose a 174-unit senior citizen home entirely financed by the government of Canada. We have also built in Chomedey the Manoir Cardinal entirely financed by the government of Canada and three other homes financed in a proportion of 90 to 95 per cent, by the Quebec Housing Corporation, the Manoir des Îles, the Résidence Sainte-Dorothée, and we are building two other homes eligible for subsidies from the Quebec Housing Corporation, but which are financed at 95 per cent by the government of Canada, one in Laval-des-Rapides and another in Chomedey which will accommodate about 200 people and be financed by both governments. Mr. Speaker, those are some of the projects undertaken in co-operation with the provincial government and with extensive help from the municipalities.

Mr. Speaker, I quoted those figures to emphasize the role played by the Government of Canada, through the National Housing Act, in the housing field. And to support my argument, I refer to an article from *La Presse* dated February 20, about a report published in the magazine *Habitation 79* on the comparative purchasing cost of a single family house in Ontario, in Laval and in Western Ontario, in Metropolitan Toronto, at Mississauga. The cost of land is $12,692 in Toronto, $2,400 in Laval, and they mentioned also the cost of local services and I wish to underline that there are some differences, that the legislation is different as public services are not financed in the same way in the province of Quebec as in the province of Ontario. In fact municipalities in Quebec pay for the services, that is sewer and water systems and sidewalks, through municipal taxes, while in Ontario, when you buy a lot these services are financed by the promoters. So the cost of these services is included in the price of the land and the owners pay only a property tax.

Notwithstanding all this, Mr. Speaker, I can say that we have contributed to lower building costs by giving assistance to developers, by financially helping municipalities and by creating this competition between promoters. I am sure that a property which costs $35,910 to build in Laval, as mentioned in the article, would cost about $65,000 in Ontario, in greater Toronto, because of the reasons I mentioned and because of the different tax structure.

Thanks to the initiative taken by the Canadian government in putting programs at the disposal of all agencies having a direct interest in housing, we have succeeded in reducing housing construction costs in Canada as a whole and in Quebec in particular. I feel that if there had been more landowners in Toronto, a little more competition between landowners or developers, they would have obtained for home buyers the same benefits as in Quebec.

To conclude, Mr. Speaker, I hope that opposition members are as conscious as we are on this side of the House of the importance this legislation has both for those who want better housing conditions and for the municipalities which will use the funds available under this legislation to provide their residents with parks, libraries and the infrastructure required.

● (1740)

[*English*]

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I welcome the opportunity to speak on Bill C-29, which is designed to amend the National Housing Act and the Central Mortgage and Housing Corporation Act and to make other related amendments. Shelter, Mr. Speaker, is one of the most basic human needs and has been so from time immemorial. Shelter, whether it be in the form of modern housing or any other suitable form to protect human beings against adverse elements of nature, has always been regarded as a criterion for measuring the quality of life.

I am, therefore, glad to speak on a matter such as housing, that is so close to all of us and fundamental to the well-being of any society. This debate on amending the National Housing Act affords some of us on this side of the House the welcome opportunity to make a contribution and offer our opinion on the national housing policy.

It has been a most frustrating experience, to say the least, to have to put up with the stonewalling tactics of the Minister of State for Urban Affairs (Mr. Ouellet) during his appearances before the housing committee. On occasion the minister would disallow members of this department from answering members' queries and legitimate concern about the direction of housing policy. Maybe the government has no housing policy and is therefore unable to be answerable to Canadians about its haphazard programs.

You will recall that the proposals contained in the bill now before the House were first made public almost a year ago. Given the minister's pomposity, and propensity to election jitters, he readily pounces on the opportunity to make unrealistic promise-filled pronouncements. At this stage, however, the hide and seek game is over, and the government will have to face the Canadian electorate and account for its bankupt policies.

I would like to address myself to the residential rehabilitation program, which was introduced to provide federal aid in the improvement and repair of substandard dwellings. The Residential Rehabilitation Assistance Program is one of the four major areas to be affected by the bill now before us. Under the Residential Rehabilitation Assistance Program, RRAP, loans, part of which could be forgiven, were available only to homeowners and landlords who owned property in neighbourhood improvement areas of the country, and for non-profit housing projects. The new legislation intends to remove these restrictions and allow RRAP to be applicable on a universal basis.

Now coming to the universal application of the rehabilitation program, the proposal to remove any restraints on the applicability of the program is the greatest deception of all. Previously RRAP funds were only available to houses located within neighbourhood improvement areas, so designated in conjunction with provincial and local governments. An internal memo from Mr. Hession, the president of Central Mortgage and Housing Corporation, to the minister states:

> You realize I am sure that neither the industry not the municipal delivery system nor the present and projected RRAP budget permit the operation of a "universal" program . . . Rehabilitation effort will continue to be concentrated in specified action areas as in the past, but as a matter of policy, not formal legislation.

In view of this apparent contradiction between the terms outlined in the bill as to the universal application of RRAP and the advice from the department to the effect that the pursuit of such a policy is not feasible at this time, is the minister's statement just another election inspired promise, obviously never to be fulfilled? Has the minister undertaken serious consultations with his department officials to determine what course of action to follow, or is the minister posturing for the up-coming election?

● (1750)

The internal memo to which I referred cautions the minister against making promises that the department knows it cannot fulfil. It states, for instance, ". . . we should avoid raising expectations which we cannot satisfy." The hon. gentleman would be well advised to heed the sound advice of his departmental officials instead of making promises that he knows himself he cannot fulfil. He ought to consider his own department's ten-year plan to modernize and rehabilitate Canada's housing stock.

It is estimated there are approximately two million housing units in Canada which were constructed prior to the end of the Second World War. These premises are in dire need of modernization, whether simply to upgrade insulation or to carry out repairs on the basic structures. I support the contention of CMHC that over a ten-year period the 200,000 to 400,000 dwellings in need of serious upgrading, which are occupied by lower income people, should be brought up to maintenance and occupancy standards with RRAP funds. It is important to establish fair criteria to determine those who are in greatest need of funds for rehabilitation, and to this end I strongly urge that the program be made universal. Adequate and appropriate criteria should be developed to process applications. At the present time 20,000 units are being rehabilitated annually.

While the minister amuses himself playing number games to content himself with the achievements of the department, countless Canadians are joining the list of perplexed victims of the government's erratic housing policies. If there is a single word that sums up the policies of the federal government in housing, that word is "erratic". The minister is preoccupied with politicizing the housing issue rather than spending his time and energies devising means to help achieve a better standard of living for Canadians.

We cannot afford to look upon programs such as RRAP in isolation. They tie in with the mainstream of economic life in our nation. For instance, expansion of the rehabilitation program would undoubtedly offer employment to a large number of Canadians, and the spin-off effect would be felt in various other supporting industries. This would be a much welcomed move in view of the present high rate of unemployment in the construction industry.

While welcoming the move up the socio-economic ladder of many Canadians who have become homeowners of late, I cannot but help express sympathy with many unfortunate individuals who have had to give up their homes. The federal government programs lured many of these individuals into home ownership on grounds and terms which were not fair to prospective owners.

In 1978 the first home owners under the Assisted Home Ownership Program—AHOP—saw their five-year subsidy come to an end. The results have been extremely disappointing in that 10 per cent defaulted on their mortgages, unable or unwilling to meet their payments. This compares, by the way, with a default rate of only one half of one per cent on regular mortgages. It is in this area that the minister lacks compassion and sensitivity to the plight of home owners. He is merely interested in playing a numbers game to support his theory that no other person or government can do better than his own.

To support the point I am making, Mr. Speaker, a study done in 1972 by three faculty members of the University of Montreal charged that CMHC was too close to the develop-

ment industry and was more concerned with housing starts than with the type of quality of housing needed. A case in point is the career of a well-known developer who turned administrator and then back to developer. I refer, of course, to the person of Mr. Teron, now in private business at the expense of the public purse.

In discussing the bill before us, may I take the opportunity to register concern over the federal government's unwillingness to contract out work to non-union labour? This leaves a number of small though reliable firms out in the cold when it comes to securing government contracts. I have spoken before in favour of allocating as many federal government projects to small businesses as possible. In view of the importance of this sector to our economy, I urge the government to give every encouragement to the small scale construction firms in the housing industry.

I have been an advocate of free market forces of supply and demand being the determining factor in the running of our economy. After all, it is on that that our economic success is modelled. I strongly suggest that the federal government allow the forces of the free market system to determine the price structure in the housing industry. Evidence all around us from various countries should convince anyone that, when market forces are allowed to operate freely the end product is more often than not less costly than when there is heavy government intervention.

Sometimes the cost of administering government programs is prohibitive and is detrimental to the very success of the programs. For instance, the government is still baffled about the lack of response to the Canadian home insulation program. Without elaborating at any great length, I would make the brief observation that the government ought to engage in a more vigorous advertising campaign to inform Canadians about the program. As well, the federal government might reconsider the present terms of the program. Most of us are aware that there is a special grant of $500 available in only two of the provinces, Nova Scotia and Prince Edward Island. This $500 represents an outright grant.

I can assure you, Mr. Speaker, that there are frigid zones elsewhere, including my own riding of Parry Sound-Muskoka, where insulation is even more badly needed than in those areas. Further, I would point out that the $500 grant available in the rest of Canada is subject to income tax. It is all well and good for a person whose income is so low that he does not have to pay income tax, but I repeat, in my view these arrangements are discriminatory. Again, the grant pays only two-thirds of the cost of materials up to $500. Of course if you purchase more than $500 worth of insulation materials you would be able to secure the full amount.

May I call it six o'clock?

Mr. Deputy Speaker: It being six o'clock, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 2(1).

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, March 1, 1979

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

NATIONAL SECURITY

DIRECTIVE ISSUED RESPECTING SECURITY CLEARANCE OF PUBLIC SERVANTS—MOTION UNDER S.O. 43

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the terms of Standing Order 43. My motion relates to a directive which came out of the office of the Solicitor General with respect to the security clearance of people in sensitive and public positions.

A paragraph in the directive reads that no person can be cleared for such a position while he or she has close relatives living within the borders of such foreign nations as may cause subjection to intolerable pressures, or if he or she has recently resided in foreign countries where no check of activities is possible. Having regard to this, and since one-third of all Canadian citizens fall into this category, I ask leave to move, seconded by the hon. member for Grey-Simcoe (Mr. Mitges):

That the Solicitor General be required to rescind this directive immediately and avail himself at the earliest opportunity in the House of assuring hon. members that such clearances will not be carried out along ethnic lines.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NORTHERN AFFAIRS

SETTLEMENT OF NATIVE LAND CLAIMS IN YUKON TERRITORY—MOTION UNDER S.O. 43

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I rise under the provisions of the same Standing Order on a matter of some urgency.

In view of the recent agreement, dated February 19 of this year, outlining the process for negotiating native land claims in the Yukon territory, in view of the undertakings given by the Minister of Indian Affairs and Northern Development that the federal government would negotiate directly and in good faith, and in view of the provision in clause 3 which now gives the territorial government of the Yukon complete veto power over any settlement, I would move, seconded by the hon. member for Sault Ste. Marie (Mr. Symes):

That this House request the minister to delete the Yukon government veto power and accept the clear federal responsibility to negotiate, in good faith, a fair settlement of native claims in the Yukon.

Mr. Speaker: Such a motion can be presented for debate only with unanimous consent. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NARCOTICS

RECOGNITION OF DRUG PROBLEM IN BRITISH COLUMBIA—CALL FOR FEDERAL ASSISTANCE TO ALLEVIATE—MOTION UNDER S.O. 43

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, I rise on an urgent matter under the provisions of Standing Order 43.

Last night's CBC airing of the television drama "Drying Up the Streets" graphically brought to light the interrelated problems of heroin addiction and prostitution. In light of the concern about prostitution expressed yesterday in this House, and in light of the many requests made by myself and my colleagues for federal financial assistance to the British Columbia heroin health entry plan, a plan which is of considerable merit and which could lead toward the resolution of the heroin addiction problem in British Columbia, I move, seconded by the hon. member for Surrey-White Rock (Mr. Friesen):

● (1410)

That this House recommends to the Prime Minister, the Minister of Justice, the Minister of National Health and Welfare, as well as the Solicitor General, that they request a special screening of "Drying Up the Streets" and that they spend some time with the Vancouver drug squad to witness first-hand the degradation and violence inherent in the heroin sub-culture and, further, this House recognizes the special drug problem of British Columbia by demonstrating its support for federal assistance to the British Columbia heroin health entry program.

Mr. Speaker: The introduction of such a motion for debate at this time can be done only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

VETERANS AFFAIRS

PROPOSED CHANGE OF NAME OF PENSIONERS' ASSOCIATION—MOTION UNDER S.O. 43

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I rise, under the terms of Standing Order 43, on a matter of urgent and pressing necessity.

The Minister of National Defence (Mr. Danson) has decreed that the Canadian Forces Long Service Pensioners Association must stop using that name and that it is now to be known as "90358 Canada Incorporated". Assurances have been received that the other side of the House is not totally opposed to the organization's using its time-honoured name. I therefore move, seconded by the hon. member for Victoria (Mr. McKinnon):

That this House directs the Minister of National Defence and the Minister of Consumer and Corporate Affairs to rescind their objections and restore the name Canadian Forces Long Service Pensioners Association to that association.

Mr. Speaker: The presentation of such a motion for debate at this time requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

SCIENCE AND TECHNOLOGY

RECOMMENDATION THAT GOVERNMENT INVEST MORE IN RESEARCH AND DEVELOPMENT—MOTION UNDER S.O. 43

Mr. Gérard Laprise (Abitibi): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with an important matter of pressing necessity.

In view of the fact that the Minister of State for Science and Technology (Mr. Gillespie) has convened an ad hoc committee made up of distinguished representatives of the scientific community and other sectors to determine how the government could reach total investments of 1.5 per cent of the gross national product by 1983, and that the committee indicated that annual investments would have to be increased by 27 per cent in the industrial sector, by 10 per cent in government research and development and by 30 per cent in university research, I move, seconded by the hon. member for Rimouski (Mr. Allard):

That the government review its budget expenditures and honour its commitment made in June 1978 by the Minister of State for Science and Technology to invest the necessary amounts each year in research and development so as to reach 1.5 per cent of the gross national product by 1983.

Mr. Speaker: Order. The House has heard the motion of the hon. member. Under the provisions of Standing Order 43, such a motion can be presented for debate only with unanimous consent. Is there unanimous consent?

[Mr. Speaker.]

Some hon. Members: Agreed.

Some hon. Members: No.

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OFFICIAL LANGUAGES

PROPOSAL THAT MULTILATERAL AGREEMENT BE NEGOTIATED WITH PROVINCES CONCERNING TEACHING—MOTION UNDER S.O. 43

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I rise under the provisions of Standing Order 43 to ask for the unanimous consent of the House to propose a motion regarding an urgent and important matter.

In view of the fact that federal-provincial agreements on assistance to the teaching of official languages will end in a month, and in view of the importance of these agreements which guarantee to Canadian students the right to be educated in their mother tongue while remaining free to learn the second language, I move, seconded by the hon. member for Vaudreuil (Mr. Herbert):

That the House lends its total support to the Secretary of State (Mr. Roberts) in the negotiation of a multilateral agreement with all provinces, and considers that the desire of certain provinces for bilateral agreements would in effect bear unjustly on official language minorities and widen the ever present educational gap between Canadian provinces.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

LOTO CANADA

REQUEST FOR DELAY IN IMPLEMENTING LUXURY LOTTERY UNTIL STUDY COMPLETED—MOTION UNDER S.O. 43

Mr. Bruce Halliday (Oxford): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

With regard to recent reports that Loto Canada is studying the feasibility of setting up a luxury lottery entailing the sale of $20, $25 and $100 tickets, and in light of the minister's recent confession of having lost over $13 million because she rushed into the Loto Select lottery without proper consultation, I move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That this House directs the Minister of State (Fitness and Amateur Sport) to await the study requested by the hon. member for York West and which has been undertaken by the Minister of Consumer and Corporate Affairs in order to assess the full implications of lotteries in our society before endeavouring to implement another federal lottery.

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

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

LOTO CANADA

REASON DSS RECOMMENDED CANCELLATION CLAUSE IN LOTO SELECT CONTRACTS

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I have a question for the Minister of Supply and Services relating to the loss of some $13 million in the government's aborted attempt to set up a computerized lottery.

● (1415)

Yesterday, the Minister of Supply and Services indicated to the House that his officials in the Department of Supply and Services had recommended to Loto Canada that they include in the contracts that they signed with General Instruments Limited an escape or cancellation clause. May I ask the minister what the reason was for the officials making that recommendation?

[*Translation*]

Hon. Pierre De Bané (Minister of Supply and Services): A cancellation clause is included in all our contracts, naturally, to establish the terms under which damages are payable to the contractor. The formula is therefore most simple. We pay the contractor for the work performed up to cancellation, plus a certain percentage of profits. We suggested to the management of Loto Canada that such a clause be included in the contract, and I believe Loto Canada asked the company to include it but the latter refused to do so.

[*English*]

REASON LOTO CANADA IGNORED PROVISION OF CANCELLATION CLAUSE IN LOTO SELECT CONTRACTS

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I would like to turn now to the minister who is responsible for losing this $13 million of public funds of which she is the trustee.

In light of the fact that the Minister of Supply and Services has indicated to the House that his department recommended

the inclusion of a cancellation clause in these contracts with General Instruments, can the minister tell the House why she and her officials ignored this very prudent advice?

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, the hon. member appears continually to refer to the amount of $13.15 million expended on Loto Select as a loss, and he attempts to attribute it to the General Instruments contract alone, which he well knows is false.

In addition, he knows that it is usual and traditional—and the proper term, by the way—to call it a "termination for the convenience of the Crown" clause. This "termination for the convenience of the Crown" clause is used in the Department of Supply and Services' contracts at all times. However, in this case the Department of Supply and Services was making recommendations to Loto Canada on a number of different contracts and, in fact, on the General Instruments' contract they made the recommendation and the management of Loto Canada examined it carefully, taking into account the recommendation of DSS, and determined that it would be more favourable to the company if they made a plan, should it ever become necessary, for a negotiated release of contract rather than the traditional termination clause.

Mr. Beatty: Apparently, if this minister were playing poker she would prefer four two's to four kings.

Some hon. Members: Oh, oh!

Mr. Beatty: We should have a convenience for the Crown clause to rid of the minister, too, I think, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Beatty: Mr. Speaker, I would like to ask the minister whether she will now follow the example that has been set by her most junior colleague, the Minister of Supply and Services, and put an end to the wall of secrecy that she has constructed around this whole affair. Will she now table in the House of Commons the contracts with all the clauses which were signed by her with suppliers?

Mrs. Campagnolo: Mr. Speaker, if I were playing poker, I would certainly not play it with jokers who had already been tried and failed.

Some hon. Members: Hear, hear!

Mrs. Campagnolo: I find it surprising and strange indeed that the hon. member for Wellington-Grey-Dufferin-Waterloo would prefer to join his leader in getting rid of Loto Canada altogether than in knowing the facts which I tabled in the House and which his most assiduous colleague, the hon. member for Lanark-Renfrew-Carleton, researched night and day only to discover one missing paragraph, which I will discuss later today.

These facts, and the papers tabled in the House, were discussed with the Auditor General. In fact, he is the auditor of Loto Canada, as the hon. member well knows. A copy of the

Loto Select document was sent to the Auditor General's office. I believe the hon. gentleman opposite wants me to table all manner of contracts. I will simply say that the action taken in terminating the contract of General Instruments was done at the least possible cost, and if the hon. gentleman had taken the time to read the Loto Select cancellation document, he would have seen that the provinces of Ontario and Quebec, along with Loto Canada, had budgeted in excess of $11 million—$11.7 million—for the cancellation of that contract, which was cancelled at $8 million, thereby not even reaching the potential amount. There was the amount of $3.7 million which was not expended in the provinces' recommendation.

Some hon. Members: Hear, hear!

RESPONSIBILITY FOR LOSS SUSTAINED IN LOTO SELECT PROGRAM

Mr. Erik Nielsen (Yukon): Mr. Speaker, I will direct my question to the same minister. Yesterday, in an interview with journalists outside the House, she was asked a question as follows, which I read from a transcript of that interview:

Just to make it clear, when you went to General Instruments, when your consultants went to General Instruments, and asked for a cancellation clause, did they say "no" outright, or did they say if you want it it will cost you a lot more?

Well, I'm afraid you would have to ask the management of Loto Canada that. As you know, I am the minister who reports to the House for the Crown corporation; it is a Schedule "C" corporation. You might want to look into that because the president of Loto Canada would make those decisions.

Is it the minister's position that the responsibility for the $13 million in disclosed losses resulting from the cancellation of Loto Select lies solely with the officials of Loto Canada and not with herself as the minister who answers to the House for Loto Select?

● (1420)

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): Naturally, Mr. Speaker, policy decisions are made by the government. Management decisions—and in this case the General Instruments' contract was a management decision—are made by management. I think the hon. member for Yukon did a great service in the over-all discussion of Loto Canada yesterday when he inserted himself into the discussion of a question of privilege and said that he did not want to be confusing the issue by bringing any facts forward.

Some hon. Members: Order.

Mrs. Campagnolo: I see he is staying in that same form today.

Mr. Nielsen: Mr. Speaker, in a letter to the hon. member for Wellington-Grey-Dufferin-Waterloo, the Auditor General, Mr. Macdonell, disclosed that he is now carrying out an audit of the costs incurred by Loto Canada in setting up the Loto Select game.

Since a detailed report on investigations such as this can be provided to parliament only in the annual report of the Auditor General, would the minister undertake to seek approval from her colleagues for an interim report by the Auditor General on Loto Select, to be provided to parliament? Since Loto Canada is a Crown corporation and as such its spending cannot be reviewed by a committee of the House, will the minister move a special reference to the appropriate committee of the House so that a thorough investigation of the operations of Loto Canada can be undertaken?

Mrs. Campagnolo: Mr. Speaker, here we have, again, the strange anomaly of the opposition.

Some hon. Members: Oh, oh!

Mrs. Campagnolo: Last year, when they had ample opportunity to call before the committee members of Loto Canada and members of the auditor's staff we had with us, they did not even bother to call Loto Canada. Not once in the whole year was it before the committee. Now, this year, they want two to make up for the fact that they did not have one last year. That is an independent office of the House of Commons, naturally, and I believe we will have our regular report, as we always do, to which the opposition then can make reference.

Some hon. Members: Hear, hear!

* * *

ENERGY

NATIONAL ENERGY BOARD REPORT—SURPLUS OF NATURAL GAS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I should like to direct a question to the Minister of Energy, Mines and Resources regarding the most recent report of the National Energy Board which indicates that if the board had followed the formula it has always used in the past, there would be no surplus of natural gas, but by means of a formula specially concocted for the occasion, it finds a surplus of 1.6 trillion cubic feet or 3.4 trillion cubic feet, depending on which premise is taken, and recommends an export of two trillion cubic feet.

In view of the fact the government has endorsed the idea of the Q and M line to the maritimes and the idea of making gas available to transfer from oil to gas in many of the industries in central Canada, can the minister assure the House and the country that no exports of natural gas will be approved until such time as it has been demonstrated that there is sufficient natural gas, first, for the Q and M line and, second, for the transfer from oil to gas in industry; and, finally, to supply the growing demands of the petrochemical industry for petroleum products?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, as the hon. member knows, the government's priority has been to increase energy security for Canada; also, it has been to use natural gas to the maximum possible extent to displace foreign oil. For that reason, the government welcomes the findings of the National Energy Board that our

reserves have gone up significantly by 4.7 trillion cubic feet. There is absolutely record activity right now with respect to the exploration and development of our gas fields and petroleum resources.

● (1425)

The prospects for the future are exceedingly good. We are particularly pleased with all these events because they result from initiatives and a climate which the government has provided to get this kind of activity going.

Some hon. Members: Hear, hear!

Mr. Gillespie: Clearly, it is going to be possible for natural gas to provide a greater degree of energy security for Canadians than was thought to be the case a short while ago—two years ago—when the National Energy Board last reported. They have, as hon. members know, included two new tests along with the reserves test. We believe this deliverability test will be an improvement to the protection of Canadians in terms of future energy supply.

With the additional reserves, the additional tests and the possibility of using exports, as the hon. member has indicated, to maximize Canadian markets for natural gas, I think the outlook has changed quite significantly in the last two years.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, that was a lot of gas, but not much of an answer to my question.

In view of the fact that in 1970 this government accepted the recommendation of the National Energy Board and approved the export of these three trillion cubic feet, and only a few years later the same board and the same government were telling the people of Canada that unless we built a pipeline into the Arctic we were going to freeze in the dark, the minister will have to find something better than this rhetoric in order to convince the Canadian people that we can meet our needs and at the same time export an additional two trillion cubic feet of natural gas.

I want to ask the minister this very specific question. In view of the fact that the estimate of Q and M for gas requirements is 5.1 trillion cubic feet, and the National Energy Board estimate is 3.3 cubic feet—which is a difference of 1.8 trillion cubic feet—and if Q and M is right in that regard, then two trillion cubic feet for export will be used up—and you cannot use the same gas twice—which will take priority, Q and M or the exports? Would the minister please answer that question?

Mr. Gillespie: Mr. Speaker, I have made it quite clear in answers in this House over the last few days, and even before, that the potential of the Q and M pipeline and the other competing application, the application by TransCanada PipeLines, to move Canadian gas into the Quebec and maritime markets is a matter of very great importance to this government.

I have just said, in answer to the hon. member's first question, that we believe that exports can also support that particular expansion of the Canadian market for Canadian gas. I think I made it very clear in my first answer that we would expect the National Energy Board, at its hearings, to examine the potential, the linkage between gas exports and the development of these markets in Canada.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, neither the National Energy Board nor anybody else, other than the government, can make the final determination as to which will have priority. I am trying to find out from the minister if Q and M is simply a pre-election gimmick for the people in the maritimes, or whether the government is serious in its intention to see to it that the gas available for that pipeline is reserves.

I want to tell the minister that page 5 of the National Energy Board report points out that in its previous report of two years ago it predicted we would have gas deficiencies by 1983, and it now says it is able to say that we will not have gas deficiencies before 1992. At my age, 1992 does not give me any concern, but to a blossoming youth like you, Mr. Speaker, it must cause some apprehension. I am, therefore, asking the minister if he considers that a 13-year down the road possibility of gas shortages does not concern him and does not make him feel that the government ought to say that the first priority for the gas which is now in place will be the Q and M line and the need for Canadian supplies, rather than the export market. Will the minister tell us where he stands on that?

● (1430)

Mr. Gillespie: Mr. Speaker, I would like to go back over the same ground, because I think the hon. member has missed some of the important points I have made.

I have stated many times my belief in the importance of the Q and M pipeline, or the competing application, to Canada. I have stated many times why I believe that the expansion of the gas markets in Quebec and the maritimes will be important to Canada, because it can displace foreign oil. I believe that the NEB makes this point, that natural gas can displace imported oil by as much as 100,000 barrels of oil per day by 1995. That is a very important factor in Canadian security.

The NEB, in their report, made it quite clear that they have taken my advice and the advice of the government with respect to this hearing, and they have made sure that there is sufficient gas to look after the expansion of eastern Canadian markets before they have looked at exports. I have gone further than that and said in my answers just a few moments ago that I would expect exports to be made as a result of the surplus which they have found.

Those exports could support the development and expansion of those markets in the way that, if we did not have any exports, we would not be able to support them. I think those exports could change the economic viability of the Q and M pipeline very considerably, and that is why I have said in my answers today that I believe export potential can be of very considerable help in moving that particular project forward.

Oral Questions

[*Translation*]

SCIENCE AND TECHNOLOGY

RECOMMENDATION THAT GOVERNMENT INVEST MORE IN RESEARCH AND DEVELOPMENT

Mr. Gérard Laprise (Abitibi): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources and Minister of State for Science and Technology. In the report he got recently from the ad hoc committee he set up on funds earmarked for research and development, annual increases of 27, 10 and 30 per cent respectively were recommended for the industrial, government and university sectors. Statistics Canada reported recently that an increase of only 8.4 per cent was to be expected for the current year for research and development in the private sector. In view of the huge gap between the recommendations of the ad hoc committee, the figures announced by the Minister of National Health and Welfare and those of Statistics Canada, can the minister explain to the House how he plans to respect the commitments made last June to increase funds for R and D to 1.5 per cent of the gross national product by 1983?

[*English*]

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, there have been a number of very significant increases in the allocation of moneys by the federal government for research and development in this country. Those were announced by my predecessor. At the same time, last summer, the government announced a number of measures aimed at securing more research and development in this country, and I refer to the Centre of Excellence policy.

At that time it was made quite clear that the increase in research and development, if we were to achieve the target of 1.5 per cent of the GNP by the early 1980s, would require a significant contribution from the private sector. The point was made that the government could not find the funds and spend the money to do it on its own; that it had to be done to a large extent in the private sector.

To that end, the Minister of Finance in his most recent budget changed, altered and improved the tax credit system for research and development in industry, a significant incremental change. I believe that the amounts there may be worth in the order of $125 million, and I very much hope that private industry will take advantage of this benefit.

[*Translation*]

Mr. Laprise: I would like to ask a supplementary question, Mr. Speaker. The minister's arguments do not relate to what we just found in the estimates tabled recently by his colleague of the Treasury Board. According to the statistics reported in October 1978 by the Department of Science and Technology, the cuts on research in that department represent 78.4 per cent of the budget cuts in the Department of Communications, 62.9 per cent in the Department of Environment, 53.2 per cent in the Department of Fisheries, 100 per cent in the Department of Science and Technology and 85.7 per cent on the social sciences and humanities research program.

Mr. Speaker: Order. If the hon. member has a question, he should ask it right away.

Mr. Laprise: Could the minister explain why, among those departments, his Department of Science and Technology is the most affected by those budget cuts?

[*English*]

Mr. Gillespie: Mr. Speaker, there have been a number of changes in budgets. Some have gone up, and some have gone down. But the effect is an increase in research and development. As I noted in my first answer, of course, the budget estimates do not reflect the tax credits which the Minister of Finance provided in his last budget because those tax credits affect the revenue side of the equation, not the expenditure side, and the most significant increase we could expect would be through the tax credit side.

* * *

TRADE

OPPORTUNITY FOR DEBATE ON GATT AGREEMENTS ARRIVED AT

Mr. John C. Crosbie (St. John's West): Mr. Speaker, my question is for the Prime Minister. I would like to welcome him back. I hope that he had a lift while he was away from the House last week and that his spirits are improved.

I would like to ask the Prime Minister: In view of the situation that the GATT talks are concluded, and the importance of these talks to Canadian industry generally and to Canadian resource industries such as agriculture and fisheries, will the Prime Minister make a commitment that there will be a full disclosure of all agreements which the government has entered into, and a full debate on the results of those arrangements, as well as information on whatever adjustment assistance will be provided, before there is an election which is rumoured to be coming between now and July?

Will the goverment be making full disclosure before an election and giving us a chance for debate on that full disclosure?

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

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker, if my spirits had not improved, this applause would certainly improve them. I am not worried about the hon. member; he always has his spirits with him.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Trudeau: In so far as the undertaking which the hon. member is asking me to give, of course I would give it, provided the House is sitting at that time.

Mr. Crosbie: Mr. Speaker, at least I did not say that the Prime Minister was sinful, as his Minister of Industry, Trade and Commerce did, or perhaps he said "had a skinful"; I am not sure which.

My supplementary question is for the Deputy Prime Minister—from the sublime to the ridiculous. The Deputy Prime Minister made a speech several days ago on GATT in which he said, "The major trade deal appears to be shaping up fine between Canada and the U.S., but there are still problems with Japan and the European Economic Community." But on February 21, Mr. Strauss of the United States said, "The tariff issue between Canada and the United States is far from settled" and that they were very upset over Canada's refusal to accept a new custom's code that would standardize valuation procedures. Who is telling the truth in this instance, the Deputy Prime Minister or Mr. Strauss?

[*Editor's Note: Mr. MacEachen and Mr. Trudeau rose at the same time to answer the question.*]

Mr. MacEachen: Mr. Speaker, I think—

Some hon. Members: Oh, oh!

An hon. Member: Give Allan a chance.

An hon. Member: Welcome back.

Mr. Trudeau: Mr. Speaker, I apologize for making your job difficult. I understand that it must be impossible to know which of these ministers will answer, because we are all so anxious to put the facts before the House. I realize that on this subject my colleague, the Deputy Prime Minister is probably more competent than I am, but I just could not resist the temptation to congratulate the hon. member for his "wry" sense of humour.

Some hon. Members: Oh, oh!

Mr. Crosbie: Mr. Speaker, my final supplementary is to Flip, and not Flop. My question is for the Deputy Prime Minister, who is no longer in command. I am glad to see that the Prime Minister is not in trouble in his own ranks, as he is in Canada, apparently, according to his speech in Toronto.

● (1440)

Would the Deputy Prime Minister explain to the House what the difficulties are with the Japanese and European Community offers? He said they have not taken adequate action on many of our essential export interests; and do those interests include fisheries' products?

Hon. Allan J. MacEachen (Deputy Prime Minister and President of Privy Council): Mr. Speaker, with respect to the earlier question, the statement I made about the possibility of imminent dealings with the United States was made on Monday of this week.

I said in the statement that, subject to the settlement of certain issues, there appears to be a major deal in the offing with the United States. That was true on Monday and it is true today, Thursday.

An hon. Member: What about tomorrow?

Mr. MacEachen: Quite apart from what Mr. Strauss may have said, on whatever date, with respect to possible dealings with the European Community and Japan, in the latter case we have not received offers that we believe are equal and provide a reciprocal advantage to Canada with respect to the offers we have made to Japan. It may be that with respect to that country we will have to withdraw certain concessions which we have put on the table.

With respect to the European Community, in our view we have not yet received adequate recognition of our requirements with respect to fisheries, non-ferrous metals and wood products.

* * *

POST OFFICE

STEPS TO IMPROVE DOOR-TO-DOOR DELIVERY

Mr. F. A. Philbrook (Halton): Mr. Speaker, my question is directed to the Postmaster General. In view of the fact many Canadians still are not receiving door-to-door mail delivery, when at the same time we could hire many more letter carriers and help the unemployment situation, will the minister speak to the President of the Treasury Board, and whatever other minister is appropriate, about transferring funds in some way from the government's budget and hiring more letter carriers?

Hon. J. Gilles Lamontagne (Postmaster General): Mr. Speaker, my relations with the President of the Treasury Board are very friendly. I have spoken to him a great deal about the possibility of having letter carriers for door-to-door delivery, but I would like to repeat again that this government has a policy of restraint as far as the budget is concerned. It is not a question for us to decide if we want to have a larger or smaller deficit; we want to have as small a deficit as possible.

As long as we abide by our policy of budget restraint for the moment we are trying to give the best service possible to everyone across the country. If by any chance we have more money, the economy is getting better and the policy of the government changes, this will be the first priority.

Oral Questions

SPORTS

REQUEST THAT GYMNAST KAREN KELSALL RECEIVE FEDERAL ASSISTANCE

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is to the Minister of State (Fitness and Amateur Sport). As the minister knows, Karen Kelsall is the only amateur gymnast who has reached world cup ranking. She has been promised help since last October, but has not received any as yet.

Is it now the minister's policy, or the policy of her department, that there are millions of dollars for professional hockey, but not one cent for world class amateurs?

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): Certainly not, Mr. Speaker. The total amount for gymnastics this year is a great deal more than it was last year. Miss Kelsall's total support in help to her coach, help for travel and help for her over-all training, has amounted to $16,000, including her Game Plan support program.

We are very proud of Miss Kelsall, as I know the hon. member is. She has brought honour to Canada and will continue to do so with the help of Sport Canada.

Mr. Friesen: A supplementary question, Mr. Speaker. The minister has two letters from the mother of Karen Kelsall that are waiting to be answered. Will she take time to answer them and provide the parents with the promised money that was supposed to be there last October?

Mrs. Campagnolo: Mr. Speaker, the only reason Mrs. Kelsall writes to me is that she knows very well I intervene for all amateur sports people when they have these difficulties. The Game Plan support program is—

Mr. Forrestall: October, November, December, January, February—five months.

Mrs. Campagnolo: Mr. Speaker, I think the hon. member from somewhere in the Atlantic provinces is perhaps bubbling over a bit.

I will make sure this matter is looked into today. If Miss Kelsall is having any problems, I will certainly see that they are attended to.

* * *

AIRPORTS

COST TO CANADIAN TAXPAYERS OF MIRABEL AIRPORT

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Transport.

Some hon. Members: Oh, oh!

Mr. Chrétien: Welcome back.

Mr. Hees: As the operating deficit for Mirabel airport has cost Canadian taxpayers in excess of $150 million in the three years since the airport started operation, and as the early deficit shows no sign of decreasing below $50 million per year, I would ask the minister how much longer the government intends to operate this great white elephant which is not needed by the Canadian air transport industry or wanted by the Canadian travelling public.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, first of all, I think the hon. member knows well that the deficit to which he refers and calls an operating deficit is really made up of carrying forward interest charges and depreciation.

Mr. Stevens: What is wrong with that?

Mr. Lang: The hon. member for York-Simcoe, who knows all about these things, asks what is wrong with that. There is certainly nothing wrong with it, but it was never thought of by the hon. member for Prince Edward-Hastings when he was minister of transport. It simply was not done in those days.

It paints a rather misleading picture just to take that figure. It is as though we carry forward the original investment cost. The fact of the matter is, of course, that Mirabel airport was built because of the clear signs that Dorval could not be expanded with the pleasure of the people in that area, just in the same way as Malton has limitations on it because of what people who live around it feel must happen.

We went along with Mirabel in order to produce an airport which would allow for long-term expansion. I am happy to tell the hon. member that steps to encourage cargo to come there are moving along very well in the airport, because it can be operated on a 24 hours per day basis without inconvenience to people in the vicinity. It is a superb airport for that purpose. Over the next number of years it will prove to have been a tremendously worth-while investment as more and more traffic goes there.

Mr. Hees: Mr. Speaker, I should like to point out to the hon. minister that when I was minister of transport, we showed profits, and these profits are possible—

Mr. Trudeau: There were no airplanes in those days.

Mr. Hees: —by businesslike administration of our airports. As more and more Montrealers are showing a preference to travel overseas via Toronto, rather than using Mirabel and undergoing the inconvenience and inefficiency of that airport, would the government not reconsider the matter and take into consideration the fact that this airport, at a minimum, is costing Canadian taxpayers $50 million per year out of their pockets, and in future they will fly overseas from Dorval? Dorval could handle the traffic easily for the next 25 years, as the minister will find out if he talks to the air traffic people in his department.

Mr. Lang: Mr. Speaker, that is not a fact—

Mr. Hees: Yes, it is a fact.

Mr. Lang: —if one takes into account the desires of the people in the area not to have major expansions take place to things like runway capacity and the like.

As I say, in the same way as is the case with Malton—which the hon. member may understand a little better—we find that the interests of the people in the vicinity of airports must be taken into account in the way in which the airport is operated. The fact of the matter is that Mirabel is required and will play an increasingly important role. There will be rapid increases in the number of passengers moving through that airport.

The figure to which the hon. member refers includes interest and depreciation. It is true that acquiring the land and building the airport cost in the order of $325 million. The figure of $50 million is related to that original cost. At the same time, it must be put into the perspective of the $130 million we have just spent on the Calgary airport, and the very large, similar sums spent on Toronto international airport must be considered as we go forward with what is a very good airport system throughout Canada.

* * *

POST OFFICE

EFFECT OF CUTBACKS ON MAIL DELIVERY

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have a question for the Postmaster General. Since the estimates for his department in the coming year indicate a reduction in the number of staff by some 1,850 workers, and since mail between cities in Canada is now regularly taking four to five days to reach its destination, would the minister indicate whether he expects the mail to be delivered even more slowly as a result of these cutbacks, or does he expect that the more than $1 billion spent on automation and computerization will finally begin to work and the mail delivery will be speeded up?

● (1450)

Hon. J. Gilles Lamontagne (Postmaster General): Mr. Speaker, I wonder if I should even answer such an allegation, because it is completely false. From 95 per cent to 97 per cent of the mail is delivered within one or two days across Canada.

Some hon. Members: Oh, oh!

Mr. Lamontagne: That is true. If the hon. member would like to have more details about the Post Office, our estimates will be tabled in the transport committee on Monday night and at that time I will be able to give him all the figures. Also, what I just said about delivery of the mail, I can prove to him.

Mr. Orlikow: Mr. Speaker, I have a supplementary along the same lines as the question asked by the hon. member for Halton. In every city in Canada there are tens of thousands of people living in newly built areas in the suburbs who do not get door-to-door delivery. Some of them have been waiting for three or four years. Will the minister urge his colleagues in cabinet to hire as letter carriers at least the 1,800 people—the number by which his department will be reduced?

Mr. Lamontagne: Mr. Speaker, the curtailment of 1,800 people in our department will not stop us from giving proper service to the people. As the hon. member for Halton asked, I am aware of the fact that many growing areas, especially suburban areas, are without door-to-door service. I am also aware that in Scarborough, Calgary and other areas there is restraint in door-to-door delivery. I can assure the hon. member, as I said before, that as soon as money is available it will be my top priority in these urban areas to give Canadians door-to-door delivery.

* * *

CRIMINAL CODE

GUN CONTROL—FIREARMS ACQUISITION CERTIFICATES

Mr. B. Keith Penner (Thunder Bay): Mr. Speaker, my question is for the Solicitor General and it relates to the gun law which was passed by this House. According to this legislation, section 105, the attorney general of a province may apply to the governor in council in order to declare any hunting licence, certificate, permit or other relevant document to be a valid firearms acquisition certificate.

My question to the minister is this: Have any provincial attorneys general so applied, and has the minister done anything to encourage this course of action which would help to make the gun law more acceptable to those regions of the country where hunting is a necessity as well as a way for life?

Hon. J.-J. Blais (Solicitor General): Mr. Speaker, I fully recognize the preoccupation of the hon. member and, indeed, the preoccupation of other hon. members who live in rural areas.

When this bill was introduced, there was a provision within it—which the hon. member has identified—that would permit the provinces to issue firearms' acquisition certificates through the issuance of licences for recognition of proper training. However, because it was strictly within provincial jurisdiction, these provisions were left unproclaimed until such time as the provinces chose to opt into the specific provision.

At the time of passage of the legislation and subsequent proclamation, Quebec was the only province ready to accept proclamation of the act and put in measures that would permit the sort of training envisaged by the act. Unfortunately, as a result of some technical defects we were unable to carry that through. As a result of some initiatives we have taken, including the creation of the Firearms Advisory Council, we will be able to encourage the provinces to now take on the training program and thereby facilitate implementation of the provisions of the act.

Oral Questions

AGRICULTURE

SALE OF GRAIN ELEVATORS—FUTURE OF EMPLOYEES

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is for the Minister of Agriculture. In view of the fact that bids on government elevators closed on February 1, can the minister advise what bids, if any, have been accepted and what elevators will be sold? If no decision has been made, will he tell us when the decision will be made by the Grains Commission.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, no decision has been made at this time with regard to the sale of the elevators. We are reviewing the tenders. Meetings are still going on. As far as we are concerned, most of them are not satisfactory; that is the first impression or opinion we have formed. However, we are reviewing them further. At the present time we are providing bridge financing to carry them over.

Mr. Neil: Mr. Speaker, the Minister of Agriculture is probably aware that late last fall letters were sent out to all employees of government elevators declaring their positions surplus, I believe, as of March 31. In view of the uncertainty that exists, what steps has the minister taken with regard to these employees? Is he going to extend the period of employment? What guarantee is he prepared to give these employees with regard to pension rights and other rights which they have under their terms of employment?

Mr. Whelan: Mr. Speaker, they will be treated the same as any other employees of the government where operations are phased out. The employees are fully aware of what is going on at the present time. The Grains Commission has been instructed to inform them.

* * *

REGIONAL ECONOMIC EXPANSION

FINANCIAL ASSISTANCE FOR SYDNEY STEEL PLANT

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is to the Minister of Regional Economic Expansion. Can he provide the House with a report on the progress being made between the Government of Canada and the Government of Nova Scotia with regard to financial assistance for the rejuvenation and modernization of the Sydney Steel Plant?

I ask this apropos what the Prime Minister said a few moments ago, that ministers are anxious to give all the information they can. I trust the minister will give us some encouraging information, thereby alleviating the fears of the steelworkers, their families and the public in general.

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, I can assure the hon. member that the matter is under intensive consideration. In fact, it is now before cabinet for consideration. I hope within a few days we will be able to make our position known to the province.

[Mr. Blais.]

Mr. Muir: In view of the fact the Prime Minister says the government is so anxious to give all the information possible, I will direct this question to the same minister or to the Minister of Industry, Trade and Commerce who is also involved and who I know is vitally interested.

Has there been an approach by any officials of either department, or in fact officials of any department of government, to the Tree Island Steel Corporation as to the possibility of renegotiating the supposed contract that has been announced time and time again by cabinet ministers and representatives of the government, so that financial assistance will be forthcoming and they can get ahead; or will we lose the contract with Tisco in Vancouver?

[*Translation*]

Mr. Lessard: Mr. Speaker, as it has been indicated and as I have indicated myself to the hon. member on a number of occasions, we did indeed set up a small task force. The Nova Scotia premier and I had agreed to put three of four people on this particular matter in December, so that all aspects might be reviewed, and there have been indeed meetings with Tisco officials to clarify some clauses of the contract. Since then our officials have submitted a report to us concerning the contract as such, and it is on the basis of the findings of this task force that we have been able to make proposals to the cabinet on which it will have to act.

* * *

[*English*]

ENERGY

CASH INCENTIVES PROGRAM TO PROMOTE DEVELOPMENT OF ALTERNATE SOURCES OF ENERGY

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my question is to the Minister of Energy, Mines and Resources and Minister of State for Science and Technology. It is pursuant to my motion in this House last Thursday.

In view of the apparent sustained energy problems in motive power that now exist in this country, will the minister and the government devise some form of cash incentives program which could offer national prizes to encourage our inventors and scientists to develop and attain more efficient uses of fossil fuels as motive power and also to develop alternate sources of energy for the same purpose?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, I will be very pleased to take that representation under consideration and to discuss the specifics of it with the hon. member.

LABOUR CONDITIONS

ILO RECOMMENDATION THAT OLDER WORKERS SHOULD CHOOSE AGE OF RETIREMENT

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I wish to direct a question to the Minister of Labour. The International Labour Organization meeting in Geneva has expressed very deep concern at the rapidly increasing, aging labour force which will put a severe strain on resources, social security and pension systems, and have recommended that older workers should be free to choose when to retire, depending on their health and capabilities. Has the Department of Labour made any study, or does it propose to do so, and does it have a labour representative at Geneva?

● (1500)

Hon. Martin O'Connell (Minister of Labour): Mr. Speaker, as the House knows, the government established an interdepartmental committee two years ago to examine pensions both in the public and in the private sectors. Any announcement to be made with respect to this matter will be made in due course. The proposal concerning a flexible retirement age is one which is under consideration by the interdepartmental committee here in Ottawa.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Grenville-Carleton): Mr. Speaker, it being Thursday perhaps I might ask the government House leader some questions with respect to the business of the House.

First, may I ask him whether he will designate Wednesday of next week as an allotted day in accordance with the schedule he and I have discussed. I understand it is the intention to call Bill C-29, the National Housing Act amendments, today. With respect to government business, can the hon. gentleman tells us what he plans for tomorrow and the coming week? Further, is he in a position today to give the House a definitive statement as to the government's legislative priorities looking down the road toward the Easter adjournment?

Mr. MacEachen: Mr. Speaker, to begin with, I am quite agreeable to designating next Wednesday as an allotted day. As the hon. member has stated, today we shall continue the debate on the housing bill and, if necessary, tomorrow as well, although I should like to raise privately with the representatives of the parties the possibility of dealing with the Judges Act amendments at the beginning of the day tomorrow. After the housing bill I would consider taking Excise Tax Act and Income Tax Act amendments arising from the budget of the Minister of Finance (Mr. Chrétien).

If the hon. member would like me to project a number of other bills, I would certainly want to mention Bills C-6, C-22, C-27, C-32, C-41, C-44, C-13, S-2, S-4 and S-7.

Some hon. Members: Oh, oh!

Mr. MacEachen: Happy Easter.

Mr. Baker (Grenville-Carleton): Just one question: The hon. member went through that list so fast that I could not follow all the numbers. Was the Arab boycott bill among the bills he mentioned?

Mr. MacEachen: Yes, Mr. Speaker, Bill C-32. That is the bill to which the hon. member has referred and if we could reach some agreement to deal with it quickly I would call it at an early date.

Mr. Baker (Grenville-Carleton): I believe some amendments were being proposed by the government. Would they be available? As I understand it, the Minister of Industry, Trade and Commerce (Mr. Horner) has one amendment to make. Would that be available at the same time? Also, would the hon. gentleman tell me whether there is any sanctity attached to the order of legislation or is this still a matter of discussion? The answer would be very helpful in terms of planning.

Mr. MacEachen: I have never detected any sanctity in my immediate presence as far as the opposition is concerned, whatever may be said of the legislation. No, there is no special ranking; these are the bills which are on the docket. As to Bill C-32 about which the hon. member inquired with respect to a possible amendment, whatever amendment may be in mind would be available to hon. members before the bill is called. If we could agree to pass this bill in all stages in one day, I would consider calling it.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, in so far as some of these matters require consultation among the parties we are, of course, prepared to participate. May I say with respect to the proposal to call the second reading of the bill amending the Judges Act tomorrow that we would go along with it, and the likelihood is that that debate would be short provided that the bill we shall be dealing with is the reprinted version and not the original copy. The original bill contains proposals for salary increases which I am glad to see are not in the reprint. I see I get the approval of the Minister of Justice (Mr. Lalonde). Speaking of sanctity, I thought the burial of Bill C-22 had been sanctified. Is it not a mistake on the minister's part to put it back on the list?

There is one other question I would like to put to the minister. A few years ago in another capacity he promised a certain piece of legislation before the end of September of that year. He did not make it and his excuse was that he had forgotten that September had only 30 days. I wonder if he would speak to his colleague the Minister of Veterans Affairs (Mr. MacDonald), who promised us a statement on the review of the War Veterans' Allowances Act in February. Well, February has only 28 days and those days have gone. I seriously hope the government House leader will prompt the Minister of Veterans Affairs to make that statement very early in the month of March.

[*Translation*]

Mr. Lambert (Bellechasse): On a point of order, Mr. Speaker.

Mr. Speaker: The hon. member for Bellechasse on a point of order.

Mr. Lambert (Bellechasse): Mr. Speaker, in spite of the speed with which the Deputy Prime Minister (Mr. MacEachen) replied to the question asked by the Leader of the Official Opposition in the House, I tried to take note, as best as I could, of the numerous bills on which the government intends to seek approval before Easter. I was wondering if the Deputy Prime Minister intends to table a motion to postpone the date of the Easter recess.

Seriously, Mr. Speaker, I would like to assure the government House leader of our utmost co-operation in the consideration of all these bills. I would also like to ask him if there have been any new developments concerning Bill C-12 now before the Standing Committee on Miscellaneous Estimates, and if the government intends, when the bill is brought back to the House, to have it examined seriously at the report stage and seek passage on third reading before the Easter recess.

[*English*]

Mr. MacEachen: Mr. Speaker, with respect to the question asked by the hon. member for Winnipeg North Centre (Mr. Knowles), I have had discussions with the Minister of Veterans Affairs (Mr. MacDonald) and I have assured him that when and if he is ready to bring forward legislation affecting veterans I will co-operate with him.

Mr. Knowles (Winnipeg North Centre): Hear, hear! So will the whole House.

Mr. MacEachen: In reply to the hon. member who just a moment ago mentioned Bill C-12 and asked me whether it was the intention of the government to proceed with that bill before the Easter recess, may I say this: that bill is now in committee and when it comes from committee we shall want to deal with it at report stage and on third reading.

The hon. member for Winnipeg North Centre questioned whether it was a mistake on my part when I referred to Bill C-22. It was not a mistake. That bill is still on my list. When it will be called is, of course, another matter, but it is still on the list at the present time.

Mr. Nielsen: Mr. Speaker, the Deputy Prime Minister (Mr. MacEachen) was going to consult his colleague, the Solicitor General (Mr. Blais), with respect to bringing before the House a motion to expand the terms of reference of the Standing Committee on Justice and Legal Affairs so as to enable the subcommittee on penitentiaries to be reconstituted. In keeping with the unanimously expressed desire of all members of this House and in view of the increasing unrest again in our prisons, has the Deputy Prime Minister had that discussion, and is he going to bring forward quickly that motion to expand those terms of reference?

● (1510)

Mr. MacEachen: Mr. Speaker, in a sense I believe I owe the hon. member an explanation, if not an apology. Although I have made a number of attempts to be in touch with the Solicitor General (Mr. Blais), I have not yet succeeded in discussing the matter with him. I will attempt to do so as quickly as possible and I will advise the hon. member.

Mr. Alexander: Mr. Speaker, I would like to direct a question to the Deputy Prime Minister (Mr. MacEachen). It has to do with the hon. member for Ottawa West (Mr. Francis) and, I believe, the hon. member for Ottawa-Vanier (Mr. Gauthier). I do not think those hon. members have had sufficient time to advise the government of what happened this morning in the committee dealing with Bill C-12, the indexation bill. We heard from what is still known to many of us as the Canadian Forces Long Service Pensioners Association, but for some reason the Minister of National Defence (Mr. Danson) has advised the association that it can no longer use that name and that it should operate under the title "90358 Canada Incorporated".

The important thing is that we received very concrete assurances from the hon. member for Ottawa West and, I believe, the hon. member for Ottawa-Vanier that the government is not opposed to this particular organization's reverting to its former, time-honoured name. As a result of the input of those very excellent members, who seem to be on top of the situation, I hope after consultation that the government will be prepared to accept this, given the assurances which came from the hon. member for Ottawa West. We will move a motion again tomorrow after the Deputy Prime Minister has had an opportunity to discuss this matter with his colleagues.

Can the Deputy Prime Minister give me the assurance that he will at least discuss this matter with the two hon. members to whom I have referred? I see that the Deputy Prime Minister is nodding his head in the affirmative, and I want to thank him for that.

Mr. Baldwin: Mr. Speaker, I would like to ask the Deputy Prime Minister (Mr. MacEachen) when he will be able to introduce the freedom of information legislation which has been in the process of drafting since May of 1976, a fairly long period of gestation even for this government. When I last heard of the bill it was in the process of four-fifths having been accepted and one-fifth still being discussed, a favourite formula. Perhaps the Deputy Prime Minister can give us some idea about this.

Mr. Stevens: Mr. Speaker, I too have a question for the Deputy Prime Minister (Mr. MacEachen). It concerns the commodity tax review reference which has been requested for several months by this side of the House. I am somewhat surprised that the Deputy Prime Minister did not tell us that the reference would be forthcoming shortly, bearing in mind that in the budgetary papers it is specifically referred to as

being something to be referred to the Standing Committee on Finance, Trade and Economic Affairs. In one of the 46 responses to the overview statement the government states that it has in fact been referred to the standing committee and that the government is waiting to hear from that committee.

I know the Deputy Prime Minister would not want to leave that misrepresentation in its present form and that he will hustle that reference over to the committee without any further delay. I wonder if he would confirm that.

* * *

PRIVILEGE

MR. DANSON—CANADIAN ARMED FORCES LONG SERVICE PENSIONERS ASSOCIATION

Hon. Barney Danson (Minister of National Defence): Mr. Speaker, I rise on a question of privilege. The hon. member for Hamilton West (Mr. Alexander) has indicated that I denied the Canadian Armed Forces Long Service Pensioners Association the right to use that name. This matter has been raised and I believe it is in the hands of the Department of Consumer and Corporate Affairs. I will certainly discuss it with my colleague. I have also received representations from the hon. member for Ottawa West (Mr. Francis) and the hon. member for Pontiac (Mr. Lefebvre).

I look forward to meeting with these people. They have not asked for an appointment, to my knowledge, but I would be happy to take the matter up with them and with my colleague. They have met with the assistant deputy minister, personnel, Lieutenant-General Smith, who has been very sympathetic to their concerns. They make a very strong case in some areas. Their talents are not appreciated fully by the private sector when they retire from the armed forces. I should like to point out to the hon. member that 6 per cent of the skilled tradesmen entering the Canadian labour force come from the armed forces, and I hope that fact and others will be appreciated by the employers of this country.

I will certainly be very sympathetic, but there may be legal implications with regard to the question of the name. I will discuss this with my colleague, the Minister of Consumer and Corporate Affairs (Mr. Allmand).

MR. DICK—LOTO CANADA—PRESIDENT'S REPORT INTO LOTO SELECT PROJECT

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I am rising today in response to the question of privilege raised yesterday by the hon. member for Lanark-Renfrew-Carleton (Mr. Dick).

The essence of the hon. member's question of privilege relates to the fact that one paragraph was omitted in the English language copy of a letter dated June 26, 1978 from Mr. Guy Cousineau, president of Loto Canada, to myself concerning Loto Select. With respect to the omitted paragraph I have consulted Loto Canada on this matter and I have received a response from Mr. Cousineau, the president of the corporation, which reads as follows:

> May I on behalf of Loto Canada apologize to you for the omission which occurred in Appendix B of the English copy of my report submitted to you and tabled in the House on February 21, 1979. The total report consists of a covering letter, an itemized account of the costs incurred in settling the Loto Select game, a copy of the settlement agreement with GIC and my letter to you dated June 26, 1978 on the Loto Select game. The material was tabled in both official languages.
>
> In order to produce a report with typing uniformity, we employed an electro-mechanical process referred to as a Word Processing Machine. This process does not contain photocopying ability, therefore all the material had to be retyped into the Word Processing Machine and was re-signed with my signature stamp. Through a human error, the paragraph in question from my letter of June 26, 1978 was unfortunately omitted in the processing of the Appendix B of the English copy of my report. For this, and for any inconvenience caused to members of parliament, I again apologize.
>
> The Appendix B in the French copy of my report did include the paragraph in question from my letter of June 26, 1978 which repudiates suggestions that there was any intent to mislead.

Some hon. Members: Hear, hear!

Mrs. Campagnolo: The response continues as follows:

> For your additional information, Madam Minister, I would like to advise you that my officials sent to Members of the House of Commons, Members of the Senate and to the media, copies of the total report on February 21, 1979 of which the Appendix B of the French copy of this report did contain the information in question.
>
> I would further advise you that my letter dated June 26, 1978 to you and which is specifically in question, was shortly after that date issued to the media across the country, and I attach a copy for your information.
>
> It should be clear, through this wide distribution to the House and the general public of the information in question, that there was no intention by Loto Canada to mislead parliament in this most important matter.
>
> Yours sincerely,
>
> Guy Cousineau
> President

With the permission of the House I would like to table copies of this document in both official languages.

The hon. member stated yesterday that he had given the Chair notice and "notice to the minister involved". He also stated that he had left a copy of the letter in question with Your Honour's office on serving notice. What he did not say was that he did not provide my office with a copy of this letter. Nor, in fact, when he served notice to my office, did he advise me of the specific nature of his question. He referred simply to anomalies and omissions in the report.

When the hon. member and I discussed his pending question of privilege in the House on Tuesday evening, he did not advise me of the topic. In fact, he said his researchers were looking for one. He did not consult yesterday either my office or Loto Canada about what was clearly a simple oversight, a human error, as has been stated by the president. He did not see fit to grant me the courtesy yesterday of advising me of the specific nature of his question of privilege.

● (1520)

If, at any of these times, Mr. Speaker, the hon. member had cared to bring this oversight to my attention, the matter could easily and simply have been resolved. Instead, the hon. member has seen fit to rise on a most specious argument and

accuse me—either directly or by implication—of "deceiving the House", "fabricating a document", "breaching the privileges of the House", and "acting in contempt of parliament".

Some hon. Members: Shame!

Mrs. Campagnolo: These are serious charges, Mr. Speaker, most serious charges, and I would think it incumbent upon any member of this House who is considering levelling such charges at least to attempt to check his facts. Not only did the hon. member—and I use that title only out of respect for the institution of this parliament—not attempt to check his facts, but he went out of his way to avoid checking them fully.

Also, he did not give me specific notification of what his question of privilege was about. He carefully avoided reference yesterday to the official French language version of this document, which would have shown just how specious his case was. At no time has the hon. member shown interest in the facts of this issue. His only interest appears to be in headlines and innuendo.

The hon. member for Lanark-Renfrew-Carleton stated yesterday that I sent him a letter on June 28, 1978 pertaining to Loto Select and that in this letter I asked whether he wanted a briefing and so on. Instead of so summarily dismissing that offer, he might have, at any time during the last eight months, accepted that offer and met with me or officials of the Crown corporation to discuss this important matter. Again he has not done so, and again it would indicate he prefers not to have his mind confused with the facts.

I owe the hon. member for Yukon (Mr. Nielsen) a little bit of an apology. I took him out of context today. The hon. member for Yukon said:

Mr. Speaker, I do not intend to get into the merits of the facts.

I want to put that firmly on the record. Therefore, I submit this letter for tabling and I trust it will resolve the issue because I cannot find any attempt to mislead the House in this matter.

Some hon. Members: Hear, hear!

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I can understand the feelings of the minister but I cannot support the point of view that, whenever she is questioned in the House, the attack that is made is a specious attack and that questions that may be asked of her are specious. This is the place for questioning. It is questionable parliamentary language which she used in any event, but I am not relying on that. I am sure that the hon. member for Lanark-Renfrew-Carleton (Mr. Dick) will consider the source from which it came.

It seems to me that there was a precedent set in this Houe not too long ago involving the Minister of Consumer and Corporate Affairs (Mr. Allmand) when he was solicitor general. You will recall that at that time, although it was recognized by all parties in the House that the minister was not charged with intentionally deceiving the House by producing for the House and for the reliance of the House a record that was improper, it was none the less found by you, sir, that even without the intention to deceive, the very placing of a document on the table of the House of Commons—or the delivery of a letter to a member of the House, not using the method of tabling—was such that there was a prima facie case of privilege found.

In this case the matter relates to the question of tabling, and I think it takes on a different aspect. So despite the fact that the minister displayed anger with respect to the matter, I think the hon. member for Lanark-Renfrew-Carleton has acted assiduously in this case. I think the hon. member for Lanark-Renfrew-Carleton would be remiss if he had not done what he did. I do not think it helps, in the conduct of public business in this House, for there to be that kind of attack on an hon. member. Moreover, I think it is extremely important that we recognize and that the minister recognizes that there has been, despite the smokescreen, a tremendous loss of public funds, and that is the issue.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The comparison has been made in respect to the case raised by the hon. member for Northumberland-Durham (Mr. Lawrence). If anybody, on the basis of the facts which have been disclosed now, wishes to consider and put forward an argument that there was similarity in the two cases, that is to say that there is some indication that the action in respect of the official of the minister was in any way a deliberate or contrived action—that was the allegation in the case involving the hon. member for Northumberland-Durham, which was a departure from our previous practice in that it did not involve a question of privilege in respect of the minister directly but rather an action of the official of the minister in deliberately attempting to mislead the minister—then the facts are now disclosed and that point is open to argument.

But at the moment that is not the case that is before me. I think we should close the case before me, leaving it open if there is to be an argument; as some hon. members said yesterday, they hoped to have a chance to argue it. I leave that point open to argument, and if hon. members want, having received this information, to give the Chair notice of an intention to argue it, they can do so tomorrow or on the first possible date after they have had an opportunity to examine this case and to examine the precedents. I would not expect them, just having received the facts at this moment, to be prepared to deliver that argument. So that case rests open.

I do call to the attention of the House the fact that in the case of the hon. member for Northumberland-Durham there was at least the allegation that the official involved had said at some time or other that the action on his part was in some way contrived to mislead the minister. I think that will be quite important.

In respect of the case of the hon. member for Lanark-Renfrew-Carleton, he has put before the House a motion which relates to an action of the minister in tabling this document. On the basis of the reason put forward by the minister at this moment, I have to close the book on that procedural point. The

action of the minister has been explained, that the minister has not done anything which was in any way contrived to mislead the House. I leave the matter of the comparative argument open in respect of the action of the official of the minister, but so far as the action of the minister is concerned, we must be clear that the explanation by the president of Loto Canada today, which explanation has been read into the record and tabled here by the minister, is the complete explanation of the action of the minister, in my opinion. That matter in respect of any action of the minister should be closed at this time.

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I will be very brief because I had not intended to get into this matter and there will be others who, I am sure, will want to reply tomorrow in respect of this matter. So I do not intend to close it off. But I merely ask you this, sir: What is the purpose of a minister tabling a document in the House under his or her name? Certainly there has to be some responsibility for that. I do not care whether it is inadvertently or intentionally misleading; the point is that if there is to be cabinet responsibility, if there is to be accountability in the House, if any of us here are honourable members of the House, we have to be responsible for our actions in the House.

Apart from whether it is inadvertent or intentional, surely the special powers given to a minister of the Crown to table a document in the House indicates some responsibility on the part of that minister. Quite frankly, I am certainly willing to listen to the minister, as I did quite carefully this afternoon, but the one aspect that I found deplorably absent was the fact that the minister herself was obviously in no frame of mind to apologize to this House or to any member of the House. Surely, if there is going to be any responsibility, any accountability, the House, at the very least, requires that.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. If I did not make it perfectly clear, let me point out that for me to find a question of privilege the minister would somehow have had to contribute to an action which has misled the House.

Mr. Clark: She tabled the report.

● (1530)

Mr. Speaker: The minister has tabled two copies of a document, one of which was distributed. I do not know whether or not it went to the hon. member, but the minister filed in the House two copies of a document, one in English and one in French. Both are official languages of this parliament and both are official languages of this country. I cannot thereby determine that the absence of a paragraph from one text and not from the other text in any way could be construed as a deliberate act.

Therefore I have found—

Mr. Lawrence: Oh, oh!

Mr. Speaker: Well, the fact of the matter is whether that may be an action involving some carelessness respecting the minister's failure to compare the two texts. That may be, but it is not a procedural point. I must decide this matter on procedural grounds. If the paragraph had been missing from both texts, I might say the case would be different. Since the text has been distributed widely in both languages, one containing the full text and one missing a paragraph of one sentence, obviously it was accidental and not intentional, as the minister said today.

Furthermore, it is the minister's official who has apologized for that accidental omission. The minister has tabled that report and that apology in the House. I do not think the minister is required by precedents or practices to do anything more than that, and certainly on procedural grounds I cannot find any question of privilege based on the actions of the minister in those circumstances.

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, before Your Honour finalized the matter, I attempted to seek the floor as I felt the minister went beyond what was necessary. The minister spent approximately one quarter of her time dealing with the point in issue and three quarters of her time making a direct attack against myself. The minister revealed that she would not want to refer to me as an honourable member but for her love of this institution.

I have gone over what I said yesterday, and I did not accuse the minister of one thing other than the fact that she tabled a document. I did not say that the minister had altered the document. I said that it was an altered document, and that the committee would find what official did what. With all due respect, I find it very interesting in her comments today that the minister admitted the signature on the document is not the signature of Mr. Cousineau, and is now a forged document.

The minister said that it was a stamped signature, whereas yesterday at 4.30 Mr. Beauchemin reported to the CBC radio announcer that he had signed Mr. Cousineau's name. Whether it is a stamped signature or whether it was signed by somebody else, the signature of Mr. Cousineau was not put to that document. The best it can be is a facsimile. In the document tabled, the apology of Mr. Cousineau, it was indicated that there was a stamp there, whereas Mr. Beauchemin said yesterday to the radio correspondent that he had signed it. This morning a newspaperman said that it was stamped. Perhaps stories change overnight. We cannot start filing things without somebody putting his or her name to it with pen. At least I did not think we could in the House.

The fact that they give the excuse that they were retyping to make uniformity—

Mr. Speaker: Order, please.

Mr. Dick: There is no uniformity in that regard.

Mr. Speaker: Order. I want to be clear of the grounds on which the hon. member is addressing the House at the moment. I have accepted the explanation of the minister. That has been filed; that question of privilege is closed. I have left open if there are any points to be argued which raise privilege

or procedural matters resulting from the explanation tabled by the minister today. That can be done at a time after hon. members have had an opportunity to prepare argument. But the issue raised by the hon. member for Lanark-Renfrew-Carleton (Mr. Dick) yesterday respecting the actions of the minister is closed.

Mr. Dick: Perhaps I should leave it open for tomorrow and Your Honour will have an opportunity of reading it. But I distinctly heard that it was a stamped signature, which is not the actual signature, and therefore it may be a facsimile.

I feel an apology should be forthcoming for the attack made. I do not think it was warranted because I never attacked the minister yesterday in my comments. If the minister feels she has no defence other than to attack people, that is her problem. It is interesting that the automatic typing machine can skip a paragraph.

MR. BEATTY—ALLEGATION BY MINISTER OF STATE (FITNESS AND AMATEUR SPORT) OF DELIBERATE MISLEADING

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I rise on a separate question of privilege. Today in her question of privilege the minister made great point of the fact that someone on this side claimed she had misled deliberately the House or Canadian people. I can understand, if such a claim had been made, that the minister would be quite properly upset. That is why I am particularly disturbed by the fact that during oral question period today the minister made exactly that charge against me.

In response to a question which I put to the minister during oral question period today, she said that I appeared continually to refer to the amount of $13.15 million expended on Loto Select as a loss, that I attempted to attribute it to the General Instrument contract alone, and then she said "which he knows well is false".

At this point I will not digress into the question of the veracity of the minister's statement where she claimed that I indicated all of the $13 million she wasted had been wasted on the General Instrument contract. I well know that figure is $8 million and that she wasted $5 million elsewhere. Of course, I at no time indicated that the whole of the $13 million wasted was wasted on the one contract.

The procedural point here, which I think is very important, is that the minister claimed I deliberately gave information which I knew to be false. On the basis of all the precedents I have seen, an imputation made by one member against another that a member deliberately would mislead the House constitutes a breach of privilege. I think the onus is upon the minister to withdraw that statement and enter an apology for it.

If it would be useful, I could make available various precedents in which it is made quite clear that it is totally improper for one member to accuse another of deliberately misleading the House or deliberately making statements which he knows to be false. I would be prepared to do that if Mr. Speaker felt it was useful, but I am sure the precedents are so well known to all members of the House, including the minister, that they do not need to be cited by me now. When the minister said "which he well knows is false", no other construction can be put on it than that she is accusing me of having misled the House deliberately. Clearly that is a breach of my privileges as a member of the House.

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I will answer the last question of privilege first, that of the hon. member for Wellington-Grey-Dufferin-Waterloo (Mr. Beatty). When he asked the question in the House today, he addressed the cancellation clause of the General Instrument contract. It was to that that he addressed his question and not to any other contract. There were a number of other contracts involved. In fact, the hon. member was saying that the cancellation clause should have been included in the General Instrument contract. I regarded this as an address to the General Instrument contract alone and not to the other contracts. So that is why I replied as I did.

Also I reminded the hon. gentleman that a clause regarding termination for convenience of the Crown was a proper title, and I was addressing that again to the General Instrument contract. If the hon. gentleman in fact was addressing contracts other than General Instrument, I did not hear correctly and I would apologize to him. If he was addressing more than one contract, I was in error. If he was addressing one contract, my remarks stand.

MR. DICK—LOTO CANADA—PRESIDENT'S REPORT INTO LOTO SELECT PROJECT

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): If I may, I should also like to answer the matter which was brought up by the hon. member for Lanark-Renfrew-Carleton (Mr. Dick). It is a normal business procedure for documents to be signature stamped, particularly when they are produced in quantity. It is a normal practice, and it was carried out with respect to copies of the Loto Select report which were distributed on February 21. The original copies of this report in English and French were signed personally by Mr. Guy Cousineau. These are the ones I tabled.

I have a note from Mr. Cousineau which I brought along just in case the hon. member should be disposed to cry "forgery", which unfortunately he did. It reads as follows:

> My personal signature stamp was incorporated into the process of producing the reports. The authority to use my personal signature stamp was delegated by me to the person responsible for producing copies for release.

This note is signed personally by Mr. Cousineau. I guess I will have to table this also. I regret the extended time taken in this matter.

● (1540)

Mr. Speaker: Order, please. I think we had better establish a clear pattern of procedure here. There seems to be the impression that whenever someone raises a question of privilege and puts the case forward and it has been replied to an

opportunity is given for the hon. member to reply. This has happened twice already. The hon. member for Lanark-Renfrew-Carleton sought the floor and I recognized him for a moment. The hon. member for Wellington-Grey-Dufferin-Waterloo (Mr. Beatty) is now seeking the floor to rediscuss the matter. I do not think I can grant a second opportunity to the hon. member in that way unless I am prepared to grant two opportunities to hon. members addressing the other side of the question. I must consider that both members have now made their interventions in respect of this last question. I see there are others who want to enter the discussion.

I again say to the House that matters which relate to a tabling by a minister ought to be taken under consideration by members and, if they see there is something which gives rise to some procedural argument, they should examine it, prepare the argument and present it at a time in respect of which they have given notice to the Chair. If hon. members want to settle the matter now, I am perfectly prepared to listen.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I listened to what the minister said in respect of the remark made against the hon. member for Wellington-Grey-Dufferin-Waterloo (Mr. Beatty). No member when he is accused of uttering a falsehood has to accept a qualified apology or withdrawal. The minister has qualified this. There are certain rules of this House that apply even to Iona Campagnolo.

Some hon. Members: Order, order.

Mr. Speaker: Order, please. Due to the sensitivity about referring to members as "hon. members", I think we ought to reserve that nicety.

Mr. Baker (Grenville-Carleton): I refer to the reply by the hon. minister. I have read the question which dealt with losing $13 million of public funds of which she is the trustee. No matter what the minister understood, whether she understood the question correctly or misunderstood the question, or even heard it all, she has no business, and neither has anyone else in this House, calling any member a liar, or accusing any member of making statements he well knows to be false.

An hon. Member: That is quite different.

Some hon. Members: Oh, oh!

Mr. Baker (Grenville-Carleton): Hon. members over there say there is quite a difference. I suggest that if the shoe was on the other foot the hon. member for Restigouche (Mr. Harquail) would not see the difference. I think it is just about time this kind of exchange was stopped. Members should not call other hon. members liars, and that is the position here. I think the hon. member for Wellington-Grey-Dufferin-Waterloo is entitled to an unqualified apology from this minister, as he would from anyone else in the House.

Mr. Speaker: I think we can probably solve this procedural point very quickly. It is not uncommon in this House when withdrawals are made that they contain riders. I want to address myself to this. I suggest it depends on the nature of the subject. I grant that sometimes members have said they have used an unparliamentary term and feel they should change it to something else. That is a sort of qualified withdrawal.

However, what the minister has said, it seems to me, in respect of the question of privilege of the hon. member for Wellington-Grey-Dufferin-Waterloo is that she may have misunderstood him, and if he has said that this was only in relation to a certain and particular—

An hon. Member: It does not matter.

Mr. Speaker: Order; I wonder if I might be allowed to conclude this point. I think we can conclude this matter quite properly. The minister has indicated that she may have misunderstood the hon. member, and that if the hon. member was talking about a matter in a certain context then her accusation was not a proper one.

I think we can solve this quite simply if the minister will now, knowing that the hon. member for Wellington-Grey-Dufferin-Waterloo has clarified his statement, and in any case out of an abundance of caution for the niceties of this House, make a withdrawal in those terms. The use of the word "false" in almost any context is very dangerous, and its use is almost always getting us into trouble. It would help me and help the House greatly if the minister would simply make an unqualified withdrawal.

Mrs. Campagnolo: Mr. Speaker, I am happy to do so; and having my name mentioned in this House, I recognize more than ever the niceties of this chamber.

ROUTINE PROCEEDINGS

[*Translation*]

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

FIRST REPORT OF STANDING COMMITTEE

Mr. Ian Watson (Laprairie): Mr. Speaker, I have the honour to submit the first report of the Standing Committee on Indian Affairs and Northern Development. The committee has considered Bill C-28, an Act to amend the Northwest Territories Act, and has agreed to report it without amendment.

[*Editor's Note: For text of above report, see today's Votes and Proceedings.*]

Committee Report

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the following questions will be answered today: 229, 418, 954 and 1,182.

I ask that the remaining questions be allowed to stand.

[*Text*]

ELDORADO NUCLEAR LIMITED—URANIUM REFINERY—SASKATCHEWAN

Question No. 229—**Mr. Hnatyshyn:**

Did Eldorado Nuclear Limited, or any other agency on its behalf, undertake measures in the past year to inform or educate the residents in the vicinity of any proposed site in the Province of Saskatchewan where the corporation intends to construct a uranium refinery?

Mr. Pierre Bussières (Parliamentary Secretary to Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Eldorado Nuclear Limited reports that in the past year it has announced through press releases and statements from its Saskatoon office that the company is proceeding with environmental assessment studies for the purposes of investigating the feasibility of establishing a uranium refinery at a site near Warman, Saskatchewan.

POST OFFICE—ENFIELD, N.S.

Question No. 418—**Mr. Nowlan:**

1. Was the Post Office in Enfield, Nova Scotia moved out of the building it occupied from 1961 until December 31, 1977 and, if so, for what reason?
2. What was the cost to (a) transfer the postal equipment and furnishings (b) renovate the new location?
3. What portion of the cost was borne by the (a) Post Office Department (b) Department of Public Works?
4. Under the new lease, what (a) is the monthly rental (b) are the services and amenities provided by the landlord (c) are the terms of renewal?
5. Does the Post Office Department intend to provide a permanent facility for the Post Office in Enfield?

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): I am informed by the Departments of Post Office and Public Works as follows: 1. The post office in Enfield, Nova Scotia was destroyed by fire on May 15, 1976.

2. (a) $300 (b) $31,408.

3. (a) and (b) 100 per cent of the costs was borne by Public Works Canada.

4. (a) $937.50 (b) The lease provided that the landlord pays for all repairs, taxes, water and sewer charges, hot and cold water, air-conditioning and heating, electricity, replacement of burnt-out lamps, ballasts and fuses, venetian blinds and drapes, washroom facilities, ice and snow removal and garbage removal. (c) The lease does not include a renewal option.

5. Yes.

[Mr. Watson.]

"THE TAX SYSTEMS OF CANADA AND THE UNITED STATES"

Question No. 954—**Mr. McKenzie:**

1. What was the total cost of the booklet *The Tax Systems of Canada and the United States* published by the Department of Finance?
2. How many copies were (a) printed (b) distributed?

Mr. Alan Martin (Parliamentary Secretary to Minister of Finance): 1. $26,770.

2. (a) 40,000; (b) 36,705.

PLEBISCITE—1942

Question No. 1,182—**Mr. Lambert (Bellechasse):**

What was the question posed in the 1942 plebiscite?

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): I am informed by the Chief Electoral Officer:

"Vote by marking a cross, thus X, after the word 'Yes' or after the word 'No'.

Are you in favour of releasing the government from any obligation arising out of any past commitments restricting the methods of raising men for military service?"	YES NO

NOTE: The foregoing is an extract from No. 227, Vol. LXXV, (Extra) of The *Canada Gazette* dated Monday, March 9, 1942.

[*English*]

Mr. Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

NATIONAL HOUSING ACT

MEASURE TO AMEND

The House resumed from Wednesday, February 28, consideration of the motion of Mr. Ouellet that Bill C-29, to amend the National Housing Act and Central Mortgage and Housing Act and to make other related amendments, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, just prior to calling it six o'clock last evening I was speaking about the CHIP program which provides grants for insulation.

I am delighted to see the Minister of State for Urban Affairs (Mr. Ouellet) here this afternoon and I welcome him.

Let me point out again that this is a program in respect of which we should be spending more money. I hope the department is doing a good job publicizing the advantages of this program, as I have been trying to do.

I am also hoping that the minister will relent and treat the rest of Canada in the same way he is treating Nova Scotia and Prince Edward Island by allowing the full $500 grant. The minister can wipe the tears from his eyes. There are many people in other parts of Canada who are just as much in need of the $500 grant. I might also point out that the $500 grant in other parts of Canada is subject to income tax. It has to be added to taxable income and I certainly do not think that is fair. I hope the minister will give serious consideration to changing this provision. It is very difficult to get an application processed. I am still receiving a great many phone calls and applications, all of which have to be channelled through Montreal. As I have stated before, I think this whole thing would be handled more expeditiously if the minister would allocate this insulation program responsibility to the CMHC offices throughout the country.

I spoke this afternoon to people at two of these offices in my riding, one at North Bay and one at Barrie. I was told their only input was, in response to requests on a hit and miss basis, to make inspections in respect of allowed grants.

Let me emphasize the need for public housing in rural areas. A large segment of our population is still living in rural areas and is still in need of adequate housing. My own village of Burks Falls, where I served as reeve for 26 years, was one of the first municipalities in the area to take the initiative in providing housing for senior citizens, as well as low rental housing. Over ten years ago, and this probably is not very much, four senior citizens' units were built along with four low rental housing units. Just prior to my election to the House of Commons in 1972, our municipal council had obtained approval to build an additional senior citizens' apartment complex of 23 units and five low rental housing units. I am delighted to say that these units are completed and fully occupied.

● (1550)

I mention these examples to drive home two basic and important points to the government. The first is the case to be made for the forgotten or non-urban part of Canada—in other words, the rural areas. The second point is that these exemplary initiatives on the part of this small village serve to point out the need for a social element in the housing policy. Our senior citizens have devoted many of their best years, their young and dynamic years, to building this country. Many have made significant contributions in the defence and security of this country through service in the armed forces.

I would like to take this opportunity to pay special tribute to the Canadian Legion in my village of Burks Falls, which is sponsoring another senior citizens' complex of 25 units, and I hope that it will receive approval. We of later generations owe a debt of deep gratitude to them and also comfortable living during retirement. It is for this reason that I have on a number of occasions spoken on improved conditions for our senior citizens. Today I would urge the government not to neglect the many in this group who do not have the means to acquire satisfactory and adequate shelter, and to render every assistance possible.

There is another element of society which is having difficulty, and I believe that it is a problem which is occurring more in the smaller towns and villages rather than in the cities. I refer, of course, to the physically handicapped who find it difficult to get houses in which they are able to get around satisfactorily. I have with me a news item from the *Gravenhurst News* dated February 22. I would like to point out to the Postmaster General (Mr. Lamontagne) that, while I realize that the delivery of weekly newspapers is not very good across Canada and particularly not in Ontario, this particular newspaper left Gravenhurst on the 22nd and lo and behold arrived in my office yesterday. I know the Postmaster General will be delighted to hear that this weekly paper arrived within a week after posting, whereas many of them are delivered considerably later than that.

The news article takes the form of a letter to the editor and is headed "Physically handicapped face desperate housing problem". It reads:

> I am writing to you to inform the residents of Muskoka of a problem that exists in this area.

Of course, Mr. Speaker, there are many other areas where there is this problem of suitable housing for the physically handicapped.

> There has been provisions made for the senior citizens, mentally handicapped, physically handicapped that cannot take care of themselves and for people on low incomes.
>
> The government and municipalities have done a good job for these people, although it took some persuasion.
>
> I now feel that the physically handicapped who are married with a family need single level housing or apartments that have elevators so that the ones in wheelchairs or who are unable to climb excessive amounts of stairs have proper housing.
>
> Most people that are physically handicapped are on pensions. These pensions are usually very small, similar in fact to the senior citizens. Some of us are, in fact, on welfare where a family of four are given $429 a month to live on.
>
> Some of us are injured on the job trying to do what our employers want, like myself lifting equipment that's too heavy and injured my back. Others through auto accidents; the ways to get injured are too many to mention, but it shows it could happen to anyone.

The article goes on to outline the needs of these people:

> Luckily for me there was an area that I could put a bed in.

He is referring to his own house, and he goes on to describe how he was able to make do. The article continues:

> This along with the rent, utilities and other bills, a place that is one level and geared to income would be a blessing. I don't know how many more are in the same situation as I am but we that are in this situation need help. If people would write to their member of parliament, mayor, town council or anyone that might be able to help, I know I would appreciate it and I think many more would also.
>
> Thank you for reading this and be thankful for your health.

The article was written by William Manary of Gravenhurst. He will certainly find that his letter has received some publici-

ty. I personally have not received a letter from him, but in all probability I will be writing him in answer to his request.

Another important area of housing where the government ought to provide encouragement is in the building of energy saving devices into new homes in Canada. The federal government should provide the lead and assistance in this area. I will relate one disturbing example of the bureaucratic set-up which some manufacturers of energy saving devices are up against. One could import an energy-saving device package from the United States, an item which is exempt from federal sales tax. But if parts of an energy saving device are bought individually in Canada, they are subject to federal sales tax. This is grossly unfair, not only to the consumer but to the small manufacturers in Canada. The government could easily require assurances from suppliers and users that a part sold will be used as a part of an energy-saving device and thus be exempt from federal sales tax.

Solar heating along with heating pumps should also be encouraged in the form of tax exemptions or deductions, or possibly in the case of new homes grants could be paid out. The Progressive Conservative party has already gone on record that they will bring to parliament, after the next election when they become the government, legislation which will allow tax credits for owner occupied homes that instal solar heat up to a maximum of $2,100.

CMHC is in the process of becoming a land-owning baron with control over large and luxurious pieces of property. Given the minister's lust for power in any form, the desire to acquire as much inventory for CMHC as possible comes as no surprise. The establishment of the Ministry of State for Urban Affairs has not in any substantial way alleviated many of the hardships resulting from inadequate or poor shelter. When 280,000 families in Canada pay more than 50 per cent of their family income for housing, 500,000 families pay more than 35 per cent, and another 820,000 families pay more than 25 per cent, and when two-thirds of those Canadians in need of housing cannot afford to buy or rent a home without a government subsidy, one begins to question the policies of the Ministry of State for Urban Affairs, and specifically, of CMHC. The state of housing in this country is a serious problem and affects each one of us in a very human and financial manner.

The unhealthy state of the economy has had its effect on the housing sector as well. The desperate attempts by the federal government to salvage the declining Canadian dollar has resulted in higher interest rates to attract foreign funds. In the process, however, mortgage rates have also skyrocketed. The graduated payment mortgage program involving a payment reduction is merely a juggling of figures and not a solution to the root of inflation and mismanagement in housing. This scheme may serve as a rude awakening to many at a later time, if they become accustomed to low monthly payments and then are later confronted with high monthly payments.

Another important facet in housing is our native and rural housing. In the field of native housing the federal government has a long way to go to meet its obligations to native people in Canada. I recall that some years ago the government made the great promise that 50,000 units would be allocated for native housing. I have had the privilege of serving on our housing committee for as long as most members, almost six years, and over those years the government has conducted one survey after another to determine housing needs on Indian reserves. The native people are still awaiting the implementation of the results of these surveys. The money designated for upgrading housing for native people has probably been spent by the federal government on building palaces across the river in Hull to house 20,000 civil servants.

● (1600)

The federal government should encourage funding and subsidy housing programs at the band level which will create job opportunities on the reserves. The government has failed to award the majority of contracts to those willing to generate employment among the residents of reserves.

To meet the goal of adequate housing for our native people an annual construction rate of 4,500 new units and approximately 6,000 major renovations per year are required. Currently, the annual average construction rate is merely 2,400 units and only a small number—1,800 units per year—are being renovated. This obviously falls far short of the necessity to meet the goal of providing adequate housing for our native people.

There has also been a housing program for native and non-status Indian and rural people. In my area there is one such subdivision. The individual who was going to develop the property purchased it and made his first overtures to the government in 1961. He was told there was no need for it. Finally, it got under way about 18 months ago after consultation with the CMHC office in North Bay. Five homes have been completed and another three are almost complete, but so far the builder has not received any money from CMHC.

I concede it is not all the fault of CMHC because other levels of government have participated in the project. The Ontario government held up final approval through the Department of the Environment. Those of us who are aware of the problems of builders and developers know that in a great many cases the municipal governments are the culprits. It would be a good thing if a limit could be put on the length of time a government department may hold up a subdivision, and if they did not provide a proper answer within a reasonable period of time, then automatic approval would be given.

The subdivision I refer to entailed an outlay of $300,000 with the homes being in the $35,000 to $36,000 bracket. The local builder and developer has had to pay all the bills and be responsible for the financing for the past 18 months. Naturally, these costs will be levied against the ultimate homeowner and in all probability will cut down on the profit. I am delighted to be able to inform the House that some units were also built in Parry Sound in the same period.

In my riding the AHOP program is too expensive and very few, if any, houses were built, although the RRAP programs have been successful. In Muskoka 120 different RRAP pro-

grams were approved and in Parry Sound 25 RRAP programs were approved. I commend the government for this.

It is interesting to note that in the town of Gravenhurst there was an aggressive program to make certain that they took advantage of every government program and every housing project that was available. They are to be commended for this. The former clerk-treasurer, Mr. Ted Soucie, was an expert in this field. Perhaps he was too good because Gravenhurst lost him to the city of Orillia where he is now co-ordinator of housing. I am sure Orillia will do very well under his direction.

I understand that the municipality of Bracebridge is getting housing programs under way. I hope that one of the banner towns in my riding, Huntsville, will look into this and take advantage of any opportunities.

We are all well aware of the confusion brought about by the federal government's move to introduce metric conversion, or probably I should say metric confusion. Beginning May 1, it will be mandatory for all applications under the National Housing Act to use the metric system so as to conform to the directive issued by CMHC.

My colleague, the hon. member for Moose Jaw (Mr. Neil), expressed concern on behalf of the housing and lumber industry very eloquently in the adjournment debate last Monday, February 19. The concern is very legitimate and obvious. About 80 per cent of our lumber trade is with the United States and they have not yet converted to metric. They are being allowed the option whether to convert to metric or not, while we in Canada have been told it is mandatory. I could mention the millions and millions of dollars this metric program will cost Canadian businessmen in every walk of life.

I want to refer briefly, Mr. Speaker, to the remarks by the Minister of State for Urban Affairs in Toronto about a week ago. The minister made desperate attempts to spell out a housing policy on behalf of his Liberal colleagues. Needless to say, he fell flat on his face. When cornered by the press to further explain the specifics of his statements, the minister took shelter by stating that he was merely "thinking out aloud" some of the concepts which as yet have not been discussed by the federal government. This clearcut confession on the part of the minister, Mr. Speaker, comes closest to affirming the fears of many Canadians that this government lacks any well thought out policy on housing.

In the same speech, in trying to make a case for a shelter allowance system, the minister stated that this will be done "in the near future, as soon as our economy permits". Mr. Speaker, I ask how can the minister in all honesty proceed to announce the implementation of certain policies while at the same time introduce a clause such as "as soon as our economy permits"? I hope the minister does not tell his landlord that he will pay the rent as soon as his personal finances permit, or go to a store and purchase items with a promise to pay when the minister gets rich—or perhaps, I should say richer.

Canadians have responded overwhelmingly to the housing policies outlined by the Progressive Conservative party. Our housing policy will benefit both home owners and tenants and, as well, provide much needed economic stimulus.

Nothing could be more beneficial to the housing industry than the proposal by my party to allow deductibility of up to a maximum of $5,000 on mortgage interest payments. Under this far-reaching proposal local property taxes will also be made deductible up to a maximum of $1,000 a year.

I take great delight in our mortgage and tax deductibility plan, Mr. Speaker. I was a member of a municipal council for a great many years. I served as a vice-president of the Ontario mayors and reeves—which is now the Association of Municipalities of Ontario—association for some years which continuously brought this resolution before the convention which comprised 900 municipalities in Ontario. The resolution was passed every time and I certainly had something to do with bringing it forward in the first place. It referred to municipal tax deductions only but I welcome the fact that this party, because of the high rate of mortgage interest at the present time, has seen fit to include mortgage interest also.

Some hon. Members: Hear, hear!

● (1610)

Mr. Hugh A. Anderson (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I took great interest in the comments of my good friend from Parry Sound-Muskoka (Mr. Darling). Perhaps I might comment on one portion of his speech with regard to the apparent lack of progress on the issue of native housing. I wonder whether the hon. member is aware that for the first time in the history of Canada, through Bill C-29, loans may be insured when made to Indians living on reserves, be they individuals, groups or bands, to help them buy, improve or build housing projects on those reserves.

Up until the present time, and until this bill is passed, the Minister of Indian Affairs and Northern Development (Mr. Faulkner) is charged with the responsibility of guaranteeing loans made to bands, individuals or groups and making payment should default occur. The Department of Indian Affairs and Northern Development has had a problem in this area, because the finances of the department are not set up in such a way as to enable the department to enter into large scale housing projects.

Under Bill C-29—and I hope the hon. member for Parry Sound-Muskoka agrees with this concept—this responsibility will be taken out of the hands of the Minister of Indian Affairs and Northern Development and placed where it rightly belongs, under the guarantee program of Central Mortgage and Housing Corporation. This means that when loans are made for use on reserves, whether to individuals, groups or band councils, CMHC will be the guarantor. Therefore, CMHC will be able to have more construction go ahead on reserves. Some of the constraints previously placed on the program due to the fact that housing on Indian reserves had to be guaranteed by the Minister of Indian Affairs will be

removed. I hope the hon. member will agree that that is a step in the right direction. I see he is nodding his head.

I do not want to give a political speech on the question of mortgage deductibility. However, I ask the hon. member for Parry Sound-Muskoka and the hon. member for Selkirk (Mr. Whiteway) in all seriousness whether they would stand up in this House and say on the question of native housing on reserves whether the interest deductibility brought forth by the Conservative party will apply to Indian housing. I think both hon. members would have to agree that the deductibility of mortgage interest would not affect Indian housing one iota. Bill C-29, whereby CMHC will guarantee loans on reserves, is a far better method of attacking that problem.

Mr. Whiteway: It is not the only way.

Mr. Anderson: Hon. members are no doubt aware that through the department of Indian affairs we already have a $12,000 grant system for each home that qualifies to be built on reserves where funds are available. What I am speaking about is in addition to what CMHC guarantees. We all agree that housing on reserves is inadequate. Therefore, the government has addressed that problem. There will now be a better weapon to attack it by making much larger funds available to Indian housing.

I would like briefly to review what has occurred to bring us up to the point where Bill C-29 is now in front of the House. In 1978 the Minister of State for Urban Affairs (Mr. Ouellet) announced a series of changes in federal government housing policy which were the result of a number of consultations that had taken place between the provinces and the federal government.

The first objective of government housing policy at that time was to maintain a high level of housing production. Hon. members will recall in the 1974-75 period the former minister of urban affairs set up a four-year program. The target was to construct 250,000 houses per year over a four-year period. That program was announced in order that contractors could be made aware of the government's policy. The Minister of National Defence (Mr. Danson), who is now in the chamber, was minister of urban affairs at that time. The government of Canada said it would build one million homes over a four year period. That objective has been met. The present Minister of State for Urban Affairs says that he wants to maintain that high level of housing production started by the former minister.

It was also targeted in May, 1978 to increase the number of non-profit housing units to be constructed per year from 19,000 to 30,000. The philosophy was that the government thrust in housing policy should be in those areas where people have the greatest needs and the least income. That was the second point brought forward in May, 1978.

The third point has not been discussed during the debate on Bill C-29. It is something we all agree is desirable. I refer to the disentanglement of the complex set of arrangements under federal and provincial housing regulations which had been operating over a number of years.

The fourth point brought forward by the Liberal government—and my friends across the aisle will be very surprised to hear this—was to utilize the capital that exists in the private sector. I think even the Conservative party could live with that objective. The capital sitting in our banks and trust companies would be utilized to the fullest possible extent rather than using government funds.

What did we propose to meet those four objectives? First, we brought in new non-profit housing programs. We said at that time that we would operate a program through non-profit corporations, whether they be private corporations such as the Lions Club, Kiwanis and organizations like that or whether we deal through municipal or provincial governments. The hon. member for Parry Sound-Muskoka brought up a good point. Very seldom in this House are organizations such as the Lions Club, Kiwanis or Rotary Club recognized for the great contribution they make.

Mr. Darling: And the Legion.

Mr. Anderson: And the Legion. They sponsor senior citizens housing projects, organize them and accept the lead thrust in setting up those programs. I thank the hon. member for bringing this to our attention. These organizations have sponsored a great number of projects for senior citizens across this country.

What did we say we would do? At the present time CMHC through government funds provides 50-year mortgages for senior citizen housing complexes at a rate slightly below the prime interest rate. That has been going on for the past number of years. They get 90 per cent financing. In other words, the organizations had to provide up to 10 per cent of the cost of the project. The other 90 per cent was financed by the federal government under CMHC with 50-year mortgages repayable at a rate of interest in the neighbourhood of 9 per cent.

● (1620)

We said that 19,000 units per year were not enough, that would bring in a better bill and utilize funds from the private sector by cutting off CMHC funds to those organizations. The banks and trust companies told us they had adequate funds on deposit to handle the situation. So under the new arrangement the banks and trust companies would provide not 90 per cent but 100 per cent of the financing.

Most hon. members are aware that interest rates are high these days. If we had just left it at that, with the banks and trust companies lending the money at these high interest rates, it would have been very difficult to provide housing for senior citizens or others whose incomes are restricted. What the Minister of State for Urban Affairs (Mr. Ouellet) undertook to do was to subsidize through the Bank of Canada so as to bring down the current rate of interest, whatever it was, to as low as 2 per cent. In other words, the Kiwanis, the Legion branches or any of those groups which do this great work would benefit from a subsidy which would reduce the current interest rate to 2 per cent.

We believe an initiative of this sort would make it easier for the organizations concerned. First, they will not have to worry about paying interest rates of 10 per cent or so and, second, they would be able to reduce the length of the mortgage. Because if they are not paying 9 per cent or 10 per cent, more funds can be devoted to repayment of principle. This, we believe, will stimulate the construction of senior citizens' housing.

The solution which hon. members opposite have proposed is to allow deductibility of mortgage interest and municipal taxes paid by senior citizens. I ask you, Mr. Speaker, whether the plans which have been put forward by the government in Bill C-29 are not a better source of funding, a better way of stimulating the construction of senior citizens' housing. I suspect even hon. members opposite will agree that our plan is better because it goes much further to assist people living on low or fixed incomes than the proposal advanced by the Leader of the Opposition (Mr. Clark).

There is a second aspect to Bill C-29 and it concerns community service programs. Many of us are aware that an assistance program for municipalities has been in place in the form of the Canada Works program. We have been putting in sidewalks, rural electrification, scout halls, a variety of items which are of assistance to municipalities, providing 100 per cent funding for labour on selected projects. We realize this does not meet the need completely because we are not dealing with capital cost for such things as the erection of libraries, museums, parks, swimming pools and skating rinks, for example, which are so important a part of the facilities communities try to provide for their residents.

We have on a number of occasions provided programs to assist municipalities, realizing that in many cases provinces were not able to address this need. In May, 1978, the Minister of State for Urban Affairs announced a global approach in assistance for community services. For some years the federal government had been providing assistance to provinces and municipalities with respect to neighbourhood improvements, sewage treatment plants, the installation of water lines, medium density housing and so on. What the minister is proposing in Bill C-29 is an expansion and consolidation of this assistance under a program called the community services program. The object is to provide increased flexibility and wider latitude to the provinces and their municipalities in using federal funds, to enable federal assistance better to respond to local needs and conditions and to reduce duplication in administration by disentangling the federal government from project-by-project scrutiny.

What is even more important is that it seeks to enhance the degree to which federal assistance meets the priorities of the provinces and the municipalities and ensure that it is available equally to all provinces. Funding under the community services program will be used not only for neighbourhood improvements and water and sewage treatment for medium density housing, but for building social, cultural and recreational facilities, such as day care centres, community centres, libraries, neighbourhood ice rinks and parks.

Most members here have been asking for some method of funding recreational activities, day care centres, community centres, libraries, parks and so on. Well, there was a program a number of years ago called the winter works program which was capital intensive. That program was dropped, but I believe that with the community services program, the Canada Works program and the Young Canada Works program we shall be able to address the needs of communities to a much greater extent than in the past.

Most hon. members recognize that communities do experience a real and pressing need for services to be provided to their people. However, in larger cities such as Toronto, Montreal and Vancouver this need may not be so pressing as in smaller communities because, after all, they do have a large tax base. I see I have the Minister of National Defence on my side; I have probably got him offside now! But there are many communities with populations of 500, or not much more than 1,000, which do not really have a tax base large enough to enable their residents to enjoy some of the amenities which Canadians in the larger centres sometimes take for granted.

It has always been my contention that if the government wants to see more people living in the smaller centres, it will have to make a conscious effort to assist these small communities so that they can retain their populations. Unless some of the amenities of life are provided, people will likely move to the larger centres. I might point out that it was only some 18 months ago that television service was brought to the northern part of my riding, and I would remind the House that I do not represent a constituency in the Yukon or in the Northwest Territories cities; I represent upper Vanvouver Island. It is only within the last 18 months that the lumber and mining communities of northern Vancouver Island got a CBC repeater. Small though they may be, these communities have a very important role to play in our society. We should be attempting to attract people to these communities to work in the mining industry.

● (1630)

On northern Vancouver Island there is a mine called the Utah mine, which is the largest open pit copper mine in Canada. However, it was only 18 months ago that we got a repeater in there. It is hard to tell people to come and live on northern Vancouver Island when only a few months ago there was no road connecting northern Vancouver Island with southern Vancouver Island. There was no television to watch. Many of the communities did not have community halls for recreation. I think this part of Bill C-29 will assist such small, remote communities perhaps to an even greater extent than it will assist larger centres, because I think we will be able to provide services to those small and remote communities. I hope it is the intention of the federal and provincial governments to maintain these areas.

I suspect that in coming parliaments, regardless of what the government of the day might be, there will have to be direct assistance to people living in small and isolated communities. Otherwise we will have a group of city states where the

population will be centred and where crime will be on the increase because of jamming more and more people together. I hope future parliaments in conjunction with the provinces will look very closely not only at maintaining small rural centres but also enlarging their roles and enhancing their facilities so that people will continue to reside in them and not be drawn like a magnet to the city states of Vancouver, Montreal and Toronto. I suspect that if we were to look at Alberta we would find the same thing happening in Edmonton and Calgary, and if we were to look at Saskatchewan we might find the same thing happening in the cities of Saskatoon and Regina.

I have heard federal and provincial governments paying lip service to the idea that we do not want all the people in Canada living in small city states or large city states. We have said that. The hon. member for Parry Sound-Muskoka and I have both debated this. Both of us have brought this to the attention of the House on numerous occasions, because there is a concern in rural Canada about people being drained off.

Let me give an example. We talk about a decentralization program for the federal government under which we move civil servants out of Ottawa. Where do we move them to?

Mr. Darling: Hull.

Mr. Anderson: We move them to cities like Edmonton, Calgary, Saskatoon, Regina—

Mr. Darling: Hull.

Mr. Anderson: —or Vancouver. We who make decisions, presumably for the benefit of the country, in our own wisdom are furthering a centralization program, not in Ottawa but in the city states I have named. There is absolutely no need to transfer civil servants out of Ottawa to Vancouver. Vancouver already has a housing problem. There is a shortage of land.

The provinces also have a role to play. All industry seems to be located in areas such as Hamilton, Toronto and Vancouver. When it comes to setting up new facilities, whether they be brand new plants or expansions, some consideration must be given to the idea that every plant and every branch plant cannot be built in already crowded cities. I think the provinces have a very large role to play in this.

In my province of British Columbia the concentration of population and industry is within a few miles of the lower mainland and the greater Vancouver and greater Victoria areas. There has to be a change. If jobs are not created in small communities such as Nanaimo, Port Alberni, Courtenay, Campbell River or Port Hardy, which are small communities on Vancouver Island, the sons and daughters of the people living in those areas will be forced to leave. They will be forced to seek work in such places as Victoria and Vancouver. That will cause more problems for transit systems. It will cause policing problems, problems for fire departments and urban planning difficulties. There is a role for the federal government in this, and there is also a role for provincial governments.

In Bill C-29 an attempt is being made by the federal government to provide community service programs which, I re-emphasize, will benefit small communities with small tax bases more than it will benefit larger communities. For that reason I am pleased to support this legislation.

There are other aspects of the legislation which are important but upon which I have not touched. I will leave those aspects to other hon. members.

I would like to say something regarding the question of mortgage interest deductibility and municipal tax deductibility of up to $1,000 which is being proposed by the Conservative party. I suppose many Canadians look at politicians with some jaundice. I suppose there are good reasons why Canadians look at us somewhat askance. In 1978 we had a federal deficit of which most of us on both sides of the House were not very proud.

In 1978 the Prime Minister (Mr. Trudeau) and the Government of Canada announced that government spending would be reduced by $2 billion in 1979. I have sat in this House for the last four and a half years and listened to hon. members opposite tell us that we are financially irresponsible and spending too much money.

An hon. Member: Right.

An hon. Member: Right.

Mr. Anderson: There were two "rights" there but no "wrongs." When an election looms on the horizon those same proponents of financial responsibility jump up on their hind legs and say that they would have twice the deficit we have now. The point is that the boy who would be king is attempting to win an election by bribing the electorate of Canada. He would allow the deficit to be increased, and he would pass it on to our children and grandchildren. Hon. members opposite propose that. Are they telling us that a mortgage interest deduction and a municipal tax deduction will not create a higher deficit? The Leader of the Opposition told the people of Canada that what his party is proposing is a constructive deficit.

Mr. Whiteway: Don't talk about ours. Tell us about yours, all $12 billion.

Mr. Anderson: Mr. Speaker, I thought hon. members opposite were at least—

Mr. Whiteway: Let's hear about your deficit.

The Acting Speaker (Mr. Turner): Order.

Mr. Anderson: I realize the hon. members opposite do not like being criticized, but all I am asking is that the people of Canada ask themselves whether they want a higher deficit at this point. That is the paramount question. Even the Leader of the Opposition admits that this program would cost in excess of $2 billion initially. Total cost after a four-year period when the entire program would be in effect can only be estimated. It has been estimated by one source that it would cost the people of Canada up to $4 billion.

• (1640)

It is said often in Canada that there is very little difference between the Liberal and Conservative parties.

An hon. Member: Vive la différence.

Mr. Anderson: I suppose that is one example of the difference in philosophy that exists between the two parties. The government says that our housing policy should be directed at people on the lower end of the income scale. The programs about which I spoke were for the senior citizens. It is our attempt to answer the very real need for housing of our senior citizens. When I referred to what was happening on the reserves, this is our approach to dealing with a very difficult problem. I repeat that the Liberal government's housing policy is aimed at helping people at the lower end of the income scale on the assumption that people at the high end of the income scale do not require the same assistance.

The difference between the two parties is that the Conservative party has come up with the brilliant idea that it is not the native people, the senior citizens and young couples starting married life who need that assistance. What the Conservative party in its wisdom has come up with is that it is people who earn more than $20,000 a year who need that assistance. I hope that the people of Canada on election day, which I hope will come shortly, will decide whether or not this is an election gimmick and who will benefit from that scheme. I will campaign on Bill C-29, and I suppose the hon. member will campaign on giving more money to those people who already have it.

Mr. Whiteway: I rise on a point of order, Mr. Speaker. Would the hon. member entertain a question?

The Acting Speaker (Mr. Turner): That is not a point of order. Would the parliamentary secretary entertain a question?

Mr. Anderson: I would be very pleased to entertain a question, except that I am catching a taxi at a quarter to five to get back to my riding.

An hon. Member: This is not Friday.

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, the housing bill that is before us today is an example of the withdrawal of the Liberal government from the serious commitment to help Canadians with affordable housing. It reflects the acceptance by the Liberal party of the Conservative idea of restraint and cutback in government spending. Because when you analyse what is in the bill, Mr. Speaker, you can only conclude that the government has reduced the amount of money for certain programs to assist the development of housing in Canada and has further restricted the scope of programming that is already on the books. Having listened to the debate I must conclude that it is a case between Liberal and Conservative members of Tweedle-dum saying to Tweedle-dee "I am different from you." In reality there is not that much difference.

When one looks at the bill, one finds that government is initiating a withdrawal of its lending policy through CMHC and letting the private sector take over the responsibility. It also shows that the government has embarked on a withdrawal from supporting and building public housing and cutting back on low income housing. The bill shows clearly that the government intends to cut back on assistance to middle-class housing.

I will discuss the details of the bill more thoroughly in committee, but let me point out that we find, in summary, that the bill ends the generous aid to co-ops and non-profit housing which was initiated during the minority parliament in response to the pressure that the NDP was able to put on the government at that time and replaces these programs and this assistance with less expensive or less generous subsidies to co-ops and non-profit housing. This program will bring an end to rent supplements on the fifty-fifty federal-provincial sharing basis for co-ops, non-profit housing and provincial or municipal housing.

It will also end loans to provinces or municipalities for the construction of public housing and the fifty-fifty sharing of operating losses in such projects. CMHC will continue to offer provinces a partnership arrangement in public housing. The federal government will pay 75 per cent of capital cost and operating losses. The trouble is, of course, that the provinces do not care very much for this option and their initial response has not been very enthusiastic.

As I said, this bill will bring an end to assisted home ownership and assisted rental programs. It will introduce the graduated payment mortgage, insured but not offered by CMHC. Like AHOP, it simply postpones the monthly mortgage payment you cannot afford to make anyway.

The bill expands the type of mortgages which CMHC can insure to make up for the fact that CMHC no longer lends money. The bill will expand the residential rehabilitation program, but without sufficient funds to implement it in the way it should be, and it will end the municipal infrastructure program for water and sewers, the municipal incentive program and grants for medium density housing. It will end the neighbourhood improvement program and replace it with the community services program which, contrary to what the previous speaker said, provides less money for a wider range of projects.

In my constituency of Sault Ste. Marie, our municipality is quite concerned about getting federal aid to expand and develop a second sewage treatment plant in the western part of the city and also to extend the water main services to areas in the northern part of the city. I am afraid that because of the Liberal government's policy of adopting the Tory philosophy of restraint and cutback, the funds for our city will be pretty tight if it wants to implement these much needed improvements in sewer and water main construction. I am continuing to lobby with the government and the minister to give our city some priority on this and I pledge to my constituents that I will continue to do so.

When we look at the housing situation today, we find that there is only one phrase which can accurately describe it, and

that is that we are facing a housing crisis, a crisis in terms of affordable shelter. Government statistics show that over one third of Canadian households, or over one million Canadians in actual numbers, are suffering from some kind of housing deprivation; that is to say, either inadequate or overcrowded housing or housing which costs more than 25 per cent of the total income. The figure of 25 per cent is a universally accepted standard. If you pay more than 25 per cent of your income for shelter, it is unacceptable in terms of your budget; you are spending too much on shelter and having to go without other essentials such as food and clothing.

It is a shameful situation in Canada today. Many citizens of large municipalities such as Montreal, Toronto and some others where there are many problems with finding adequate, affordable housing are spending more than 25 per cent of their income on shelter. We find that 547,000 Canadians are in that category. It is a shameful situation in terms of the reality of housing today. The Minister of State for Urban Affairs (Mr. Ouellet) has stood up in the House and said what great progress has been made; but the reality, those cold, hard figures which represent human beings, cannot be denied by this government, and I hope that during this election campaign we will be able to drive that message home.

● (1650)

The reality is that home ownership is becoming or has become too expensive for thousands and thousands of Canadians. It has become too expensive especially for young couples. I have talked with many young couples and parents of young couples, and they said that they do not know how they will ever attain the goal or dream of owning an individual family household, a home in which to raise their children with some sense of comfort and decency. Even if young couples have incomes of some $14,000 to $17,000 a year, how many of them can afford the $385 a month mortgage payment it takes to pay off a 25-year mortgage of $40,000 at the current interest rate of some 11 per cent? That is the reality for young couples today who want to own homes.

In my constituency of Sault Ste. Marie the average monthly mortgage payment is $400. For most home owners it means that both the husbands and wives have to work if they are to meet their mortgage payments. Indeed, the manager of the Central Mortgage and Housing Corporation in Sault Ste. Marie said that 99 per cent of the couples or individuals coming to him for mortgage assistance are faced with situations where both spouses have to work in order to make ends meet. Many young couples today cannot afford the mortgage costs for an average home because of their actual incomes or because one spouse cannot find a job. Therefore, in many cases they raise their children in a crowded environment.

Another group really hurt by the housing situation today, of course, is senior citizens, pensioners and those on very low incomes. They need assisted housing and senior citizens' apartments. They need rent geared to income units built by governments at all three levels. Yet we see what is happening at the federal level. The government professes to have some concern for and commitment to Canadians, but we find it gradually withdrawing and pulling out of an active and meaningful involvement in building housing units and accommodations which many people desperately need.

If we are to get at the central problem of high housing costs, we must analyse what pushes these costs up and then try to deal with the factors in a rational and sound manner. In the course of my speech I should like to examine the key factors and whether government can take any action to bring down or hold down the rising costs which are making housing unaffordable.

First we can look at some recent statistics. Housing prices doubled between 1971 and 1976. We must look at some of these factors, one being the cost of construction. One cannot deny that the cost of building a house has gone up. In the period from 1971 to 1976, the cost of materials rose 65 per cent. Recently in the House I raised the issue of the high cost of lumber. The price of lumber has gone up 70 per cent in the past two years. This adds approximately $1,200 in cost to the average size house with a floor space of 1,800 square feet.

I have pressed the Minister of Consumer and Corporate Affairs (Mr. Allmand) to take some kind of action to stop this price rip-off. The cost of production for lumber has not gone up. What has happened is that the world and American markets are demanding wood at such increasing rates that companies are charging whatever those markets will bear, as well as charging the same prices in Canada. The government sits by and does nothing about it.

There are various policies and initiatives which could be taken. Perhaps the best would be to implement a two-price system so that we in Canada will not be paying the high world price for something we produce here. The cost of materials has gone up. The government could take action to stop that escalation, but it is a toothless tiger when it comes to protecting consumers and home buyers.

The second cost is that of labour. Wages in the construction industry have gone up some 80 per cent in the period from 1971 to 1976. Some hon. members, especially Conservative and Liberal ones, would say, "Perhaps we should have held down the wages of these workers". They would argue that despite the fact that during the same period of time the cost of living rose 75 per cent. Somehow these workers would have been required to bear the burden of inflation by not trying to keep up with it. Of course, that is an unacceptable solution. Nevertheless, that fact is that the cost of labour has gone up, as everything else has.

The third reason housing is so expensive today is what has happened to interest rates. In 1971 interest rates ranged around an average of 5.25 per cent. In January, 1978, the interest rate was 11.25 per cent. That is some record during this Trudeau administration! It should be noted also that while these interest rates were going up, something dramatic was happening to bank profits. After all taxes had been paid, bank profits increased some 159 per cent during that same period of time. The increase alone in 1978 over 1977 was some 33 per cent in profits, representing almost $1 billion. Yet that trend

was never countered, nor were any attempts made by the government to slow it down or to bring to bear some type of moderating influence on actual interest rates.

The government has implemented various kinds of subsidy programs for certain groups in terms of Canadian taxpayers subsidizing the person with a mortgage by giving him a lower mortgage, with the bank receiving the going rate. But that is not a solution for the majority of people who want to own homes. Thus we see the cost of money has been a major factor in this tremendous increase in the cost of home ownership.

There is another reason for the current housing cost, and that is the cost of land. Mr. Speaker, may I call it five o'clock? I will resume debate later this evening.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Brandon-Souris (Mr. Dinsdale)—Air Transport—Request for regular jet service into western Manitoba; the hon. member for Pembina (Mr. Elzinga)—National Defence—Suggestion overseas armed forces personnel receive free mailing privileges; the hon. member for Parkdale (Mr. Shymko)—External Affairs—Government's instructions to Canadian delegation at Belgrade conference.

• (1700)

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*Translation*]

Mr. Deputy Speaker: It being five o'clock the House will now proceed to the consideration of private members' business as listed on today's order paper, namely private bills, notices of motions for papers and public bills. As there are no private bills under this heading, the House will proceed to the consideration of notice of motions for papers.

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): Mr. Speaker, I think there is unanimous consent that we proceed with notice of motion for papers No. 12 and that preceding notices of motions be allowed to stand.

Job Studies

Mr. Deputy Speaker: Is the House agreed on the hon. parliamentary secretary's suggestion that we proceed with consideration of motion No. 12 and that the other notices of motions be allowed to stand? Is there unanimous consent?

Some hon. Members: Agreed.

[*English*]

JOB STUDIES IN CONSTRUCTION TRADES

Mr. Hal Herbert (Vaudreuil) moved:

That an Order of the House do issue for a copy of the approximately 1600 job studies in the construction trades across Canada prepared in order to update the Canadian Classification and Dictionary of Occupants and contracted to Southam Business Publications, Don Mills, Ontario.

He said: Mr. Speaker, when I became aware that this study was going on, my interest was activated because, as many of the members of the House know, before I came here as a member of parliament I was in the construction industry. Possibly some members would suggest that I should go back to the construction industry. I was interested because I wondered what they were doing and why they were doing it, so I asked for the papers and was told by the parliamentary secretary that he could not comply with the motion since the information on jobs that they had asked the contractors to gather for the studies may in many instances be regarded as confidential. I know that on many occasions I have found that the persons answering had not seen the papers in question, and in many cases some of us have seen papers that are marked confidential. The problem I have arises often from the fact that no one is willing to make a decision that the papers really are not that important and could quite easily be released.

My interest stemmed originally from looking at the document for which the study was being made. I read in the information section of the Annual Guide to the Canadian Classification and Dictionary of Occupants, put out by the Minister of Employment and Immigration (Mr. Cullen), that within the next few years a series of books will be replacing the present CCD volume, and the first book in this series, "Construction Occupations", is being published under separate cover. I assumed this study is in connection with the production of this particular book.

I wondered what would be produced because in looking at the document to which I have already referred, I saw something I found interesting under "Tree Trimmer". It tells me that a tree trimmer trims trees, climbs trees, prunes tree tops and branches, using saws and pruning shears. He trims damaged trees and paints stumps. He removes broken limbs and he fells trees. Then in relation to occasional duties it says that he works from a bucket on an extended truck boom to reach the branches. If that is the kind of information that is considered confidential, then the House will understand why I suggest that these documents should be produced.

Looking at this book, quite by coincidence I noted that under "Cook (cater. and lodg.)"—that is, catering and lodging, the first item—there are 38 different kinds of cooks, including everything from catering and lodging down to the

thirty-eighth "cook, vacuum kettle"; but nowhere in the list does it mention a plain, ordinary cook. I inquired and found out that they are going to correct this deficiency, and I shall be able soon to tell my wife what is a plain, ordinary cook.

Just to continue in this same vein—and maybe I am being a little lighthearted this afternoon—under "Hair-curler maker" we find five groupings down to "hair stylist", but it does not mention hair grooming.

Another interesting one covers everything from aquarium attendant down to an aquatic-biology technologist; but I find they have forgotten aquacultural technician. Hon. members can understand why I was interested in seeing what they were going to produce for the construction industry.

My interests stems—and now I am going to be serious for a moment—from the fact that most of us, whether we are federal members of parliament or otherwise, look upon construction generally as being a provincial area of responsibility. I wonder why the federal government should be mixing into what is generally accepted as provincial jurisdiction.

To get back to something a little lighter, I notice in this book a "guide to qualifications profile factors", something which I presume is used in categorizing these various groupings. I find a very interesting group referred to as "physical activities". I mention this because it could be of interest to members of parliament in that it groups various workers in categories of sedentary work, light work, medium work, heavy work and very heavy work. I presume that we as members of parliament are in the sedentary work category. We are permitted to lift, carry, push or pull up to 10 pounds but no more. We also see in this same list reference to climbing and/or balancing, stooping, kneeling, crouching and/or crawling, reaching, handling, fingering and/or feeling, talking, hearing and seeing in various terms, and control of the hand and control of the foot. I think we should put all members of parliament through this questionnaire.

To be serious, Mr. Speaker, there are many questions I want to ask about this study which might have been answered had I been able to get my hands on these papers. Obviously I want to ask why the study was considered necessary, how often such a study is done, and I would like to know how up-to-date it is to be kept. I would like to know who uses this Canadian Classification and Dictionary of Occupants, and who in construction trades is going to use the book when it is put out. I would like to know how many are going to be printed, how many are going to be distributed and to whom they are going to be distributed. I would like to know how they are going to be used by other departments and whether other departments of governments are really interested in construction workers.

I should also like to know why Southam Business Publications was picked. I am not objecting at the moment, but I would like to know if there was a tender call. I would like to know what price was paid in terms of this reference, and I would like to know why 1,600 was the figure adopted. I would like to know who decided on 1,600. I assume it was the Department of Employment and Immigration, but why 1,600, and what kinds of jobs were the 1,600 to cover? Was it all trades in the construction industry? How many in each province? Are we comparing the differences from province to province? Did the provinces agree and co-operate? Was every trade covered in every province? Because as everyone knows, each province handles the construction industry differently. I wonder if apprentices were covered. Apprenticeship is quite an issue at the present, particularly in the province of Quebec.

● (1710)

If I might interject a point of some concern here, it is that the control of apprenticeships is also affecting the number of persons in a particular trade which can enter into the work force. Obviously, one way of controlling the supply of that type of labour is to control those who are entering at the bottom, the apprentices. Another important point is that since the provinces are responsibles and since they set up the apprenticeship centres, the provinces can also control the language used, and this has become quite a factor to persons who wish to enter into the construction industry but are barred because of language restrictions.

I wonder if in this study the apprenticeship levels of competence were considered from province to province. Once again, because it is a provincial concern the different provinces make their own decisions as to the number of years of apprenticeship required in each particular trade. I do not know the situation in each province, having only been a member of parliament for some seven years now, but with regard to Quebec I wonder if the persons who were being considered were all holding competency cards and if the problem of issuance of competency cards was dealt with in the study.

Was a study made of the comparison of union and non-union construction workers in those provinces which are not fully unionized? Was any comparison made of the differences in qualifications between a unionized carpenter and a non-unionized carpenter? Also, did they consider self-employed construction workers? I mention self-employed construction workers because it is my experience that the productivity of this type of worker is similar to the productivity of the self-employed construction worker of some 25 years ago, whereas the production of the regular construction worker, unionized or non-unionized, is considerably less than what it was 25 years ago. This is one of the reasons field construction today is so much more expensive and why there is less field construction going on than there is factory construction.

I find it quite extraordinary that this situation has developed to the point where a factory-made house today, for example, can be produced at about half the price of a field constructed house. I do not wish to get into the bill which is presently being discussed in the House, but it is apropos to my motion when discussing the construction worker who works in the factory and who is generally considered unskilled as compared to the man who is working in the field doing almost the same job. I wonder if this has been taken into account. In other words, a man operating a gun which shoots nails into plywood and who works for a factory is probably not considered in this study as

being in the same grouping as the construction worker in the field who uses a hammer to beat nails into plywood.

I wonder if the problems of these overlapping responsibilities which often result in union disputes were a consideration. Quite obviously, the union worker is finding that there is less work available to him because of the increase in the amount of work which is taking the form of factory production today. From a construction point of view this is easily understood. To illustrate, three weeks ago I visited a factory that produces prefabricated houses. These are houses of which all of us could be proud, containing three bedrooms, a fully equipped kitchen, carpeting, hardwood floors, tiles, all that one would expect in a nice house. The opposition may also be interested to know that these houses are being sold in the province of Quebec on a serviced lot for a total cost of $32,000.

I wonder how these people who conducted the study looked at the limits of a particular trade. I wonder if they concerned themselves with the different wage rates that pertain particularly in areas where there are union and non-union workers working side by side. Most of all, however, I am concerned about the apparent interference—and I would like this explained—of the federal government in what I consider to be an area of provincial jurisdiction.

That is why I ask for these papers. The federal government is studying these construction trades and considers that it has the right to do so, whereas it stated categorically that it would not express similar interest in education. I am inclined to the view that if we are going to mix in provincial responsibilities, perhaps education would be a good place to start.

I have one last point which I consider of major importance with regard to the province of Quebec. Since the study was authorized by the Department of Employment and Immigration, I wonder what their attitude is with regard to the use of hiring halls in the province of Quebec and the fact that the construction companies are not able to go to the Ministry of Employment and Immigration for the labour which they require. In fact, the Department of Employment and Immigration has been effectively shut out in the province of Quebec. I am not saying that this is wrong; I am only pointing out that in Quebec the Department of Employment and Immigration can have very little interest in the employment of construction workers because the hiring is done through the hiring halls.

Lastly, Mr. Speaker, though I have been somewhat lighthearted in my approach to this particular motion and though I have no doubt that the government will continue to refuse to produce these papers which I consider are of relatively little importance to them, my chief concern in bringing this matter forward for debate is this apparent interference in an area of provincial jurisdiction. I have asked a great deal of questions and hopefully the parliamentary secretary will have noted some of them and will be able to refer some answers back to me.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, my intervention will not be very long. I would like to thank the hon. member for introducing this motion. It just goes to show one why it is so important to have leadership, as has been provided by the hon. member for Peace River (Mr. Baldwin), in the area of freedom of information.

• (1720)

As I understand it, this government is committed to this sort of thing, yet I hear the hon. member for Vaudreuil (Mr. Herbert) blasting the parliamentary secretary because that hon. member says the type of information that is required is confidential. Even though his remarks were lighthearted, I think that was an attempt to cover his anger at what the parliamentary secretary was doing.

He says he wants to see jobs studies in the construction industry. He should understand that the construction industry is one of the most important in this country. I do not intend to get involved with provincial jurisdiction as my hon. friend did; he has researched it and I have not. One of the main problems with this industry at the moment is the lack of work. There is no industrial strategy which would create a climate of confidence and put people to work.

Between 1977 and 1978 there was a decline in construction employment. In 1978 the average unemployment rate in the construction industry in Newfoundland was 31 per cent, in Nova Scotia, 22 per cent, in New Brunswick, 23 per cent, in Quebec, 20 per cent, in Ontario, 12 per cent, in Manitoba, 12 per cent, in Saskatchewan, 11 per cent, in Alberta, 7 per cent, and in British Columbia, 13 per cent. Only in Alberta was the unemployment rate down.

It is significant that these figures do not show that there is a very high rate of unemployment within the trade union movement. Within this very vital and important industry there is a skill bank and we are not making sufficient withdrawal from it. I do not really want to blame the federal government but the fact is that they have no industrial strategy. There is no climate of confidence and consequently we find ourselves in a mess.

Another factor is the mobility of construction workers. I understand that the Department of Employment and Immigration has appointed a task force to look into this matter. I am given to understand that there are about 4,000 unemployed carpenters in British Columbia, though there is a shortage of carpenters in Calgary where business is apparently booming. This is the sort of thing we want to know. We want the information set out in these 1,600 job studies, some of which concern the construction trade. This is the sort of thing we need in order to cope with this enormous problem.

The president of the Hamilton Construction Association has indicated that there is nothing in Hamilton to sustain the industry after this year. Surely if this is to be a viable industry, one that can make a significant contribution toward a greater industrial nation, then the type of question that the hon. member has placed on the order paper must be answered. I will be very interested to see if the parliamentary secretary flim-flams and tries to justify refusing this information.

It is our position that the onus is upon the government to show why the information cannot be released. I think most

information can be released unless it is in the line of security. On a simple question pertaining to job studies it makes no sense to be told that the information is confidential. I believe this is doing irreparable harm and is unwarranted. If a climate of activity and excitement is to be created in the construction industry, surely the information required to do this could be made available.

With these few remarks, Mr. Speaker, I want to let the parliamentary secretary know that, in my opinion, the construction industry is one of the vital industries in this country and every effort should be made to create a climate of confidence in it. This refusal on the part of the parliamentary secretary—whether the one who is going to speak now or his predecessor—was irresponsible and shortsighted. He has tunnel vision. I hope I am not directing my remarks to the parliamentary secretary who is going to stand up now. If I am, I do not mean in the way it sounds, and I will withdraw most of it. He will have to figure out which part.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I rise to support the desire of the hon. member for Vaudreuil (Mr. Herbert) to get the documents to which he was refused access. I do so because we on this side of the House have had this experience on many occasions. It is good to know, although not very helpful, that we are not alone and that the government treats its own members in the same cavalier manner as it treats us.

It is part of the madness of this government that it refuses to give information to the public, members of parliament, the media and educators—information which is of the utmost importance if the problems which this country faces are to be dealt with in a rational manner and solved.

This government, which has been in power for 55 of the last 65 years, has come to believe it has all the answers and can refuse to give the most elementary and necessary information to anybody and everybody.

I have no knowledge of the study dealing with problems in the construction industry which the hon. member for Vaudreuil wanted. I have a copy, however, of a study made for the Department of Manpower and Immigration by Robertson, Nickerson, Group Associates Ltd., entitled "Case Studies in Aspects of Training Upper Skilled Blue Collar Workers". This is a study of the problems and needs in the manufacturing industry which is probably complementary to the study which the hon. member for Vaudreuil would like dealing with the construction industry.

Any minister or deputy minister who has read this report should hang his head in shame—if he did not immediately offer his resignation. The study shows that the opportunity for high level young Canadians to enter a skilled trade is so remote as to be described as non-existent. It points out that there is a shortage of upper skilled workers now and that the shortage will get more serious as the economy picks up. It also says that industrial growth in Canada will be inhibited by a lack of skilled workers. According to this study, government programs are not receiving industry support and need a massive overhaul. This refers to a department of government which has spent $2.5 billion on job training in the last five years. Last year we spent $680 million on the job training. Of that amount only $80 million went to subsidize on the job training, namely training in industry, in companies involved in manufacturing. The provincial educational institutions received $340 million, and $260 million was paid directly to individuals for income support while attending provincial technical schools.

• (1730)

We spent $2½ billion in the last five years and we still have a million unemployed. What did this group hired by the department to look into the situation in the manufacturing industries have to say? They said there is a crying need for skilled people.

Since World War II most of our needs for skilled workers have been met by immigrants. We have imported the people we needed. Because of high unemployment in Canada, one million unemployed, naturally Canadians are saying to government that we have to cut back on the number of immigrants we permit to come into this country. One cannot blame the people of Canada when they see one million unemployed. That is why they do not want more people coming here. The government has responded to that feeling. Last year it cut back substantially on the number of immigrants permitted to come to this country.

At the same time as we are wanting to cut back because we have unemployment, skilled workers who could come to this country if there were jobs available are not coming because unemployment in the industrialized countries, particularly in western Europe, is much lower than it is here. Their standard of living has risen compared to the standard of living in Canada.

A few years ago the average per capita income of Canadian citizens was the second highest in the world. We were second to the United States. Today, we are seventh or eighth. West Germany, Sweden, Norway and Denmark, just to mention a few, have all gone ahead of us. The result is that the skilled immigrants we attracted in the years after World War II no longer want to come to this country. That is the situation.

As the report to which I referred indicates, there is a grim shortage of skilled tradesmen. The report indicates a tremendous shortage of tool and die makers, machinists, and electronic technicians. They are and will be needed in large numbers all across the country. They will particularly be needed if this or whatever government is in power in the next few years can get the economy moving, and instead of having 83 per cent of our capacity being used we will use 90 or 93 per cent, which is what it should be. The shortage of skilled workers in Canada would then cause a real crisis situation. That shortage has been attested to by companies all across the country. The shortage in the manufacturing industry which I talked about is just as prevalent in the construction industry about which the hon. member for Vaudreuil was asking.

Something that everyone but the manpower department is agreed on is that our manpower training programs are tragically inadequate. They are a disaster. There are reasons for that, such as jurisdictional disputes between Ottawa and the provinces. Under the provisions of the British North America Act, the provinces have responsibility for education. The federal government has taken the responsibility for manpower training.

I believe, and I have expressed this view since the day the Department of Manpower was set up, that the division which the federal government insisted on between manpower training and education is an artificial division. It does not work in practice. The federal government has insisted on its jurisdiction. It has designed manpower programs to a large extent in a vacuum, without consultation with the provinces, industry and the unions. The result is what we predicted. When I have more time I will prove, by quotations and illustrations from industries and corporations, the kinds of shortages which I have indicated.

We have spent tremendous amounts of money, but we have no reliable information about our future needs in the construction industry, the manufacturing industry, and the service field. There are very few really good training programs on the job in the plants. Most of the money is spent in institutions which were built with the financial carrot of federal funding for construction and operations held before them.

Mr. Dionne (Northumberland-Miramichi): On a point of order, Mr. Speaker, I wonder if the Chair would explain to me what connection the hon. member's remarks have with the motion we are discussing here this afternoon.

Mr. Deputy Speaker: The hon. member should listen to the speech and not ask the Chair to explain to him what the hon. member is saying.

Mr. Orlikow: Mr. Speaker, if the hon. member would listen he would understand, which I doubt he has the intelligence to do from listening to his many interjections. He would know that I am supporting the request of the hon. member for Vaudreuil for documents pertaining to studies on manpower needs in the construction industry. I am doing that by summarizing a similar need for documents with regard to manpower needs in the manufacturing industry. There is a close relationship between what I am saying and what was said by the hon. member for Vaudreuil.

I was saying, before I was somewhat rudely interrupted, that there are very few good on the job training programs in industry. Where there are such programs, too few apprentices are being trained. The reason for that is that it is cheaper for employers to take the easy way out when they need skilled workers. They either depend on the educational system, which we now know has failed miserably, or they recruit immigrants.

There is no quick or easy solution to the problems we face. We need programs to meet both the short and long-term needs. The federal government should stop trying to make all decisions unilaterally as it has been doing since the manpower department was set up. We must stop turning the tap off and on by contracting for more or less seats in the community colleges. Decisions as to how many seats to purchase in our community colleges are not based on the needs of the region or the country, but on political and budgetary considerations. In this period of restraint we should at least partially turn off the tap because we do not have the money. In a period in which we think we need to prime the pump, we turn the tap on.

● (1740)

The federal government, the provinces, industry and labour must get together to work out programs to meet our needs. The one body which could secure that collaboration and co-ordination is the federal government, though it has not shown any inclination to do so up until now. The federal government should invite provinces, industry and labour to assess the need and, upon the basis of that assessment, to develop the necessary programs. But this cannot be done because nobody, except possibly the federal government, knows what the needs are. The only information available is in the possession of the federal government which refuses to give it to the hon. member for Vaudreuil, to other members on this side, to industry, labour, or anyone else.

I join with the hon. member for Vaudreuil in urging the government and the Department of Manpower to change its policy, its desire to keep everything secret. I urge the government to make available as much information as possible so that the people as individuals and through their organizations, whether trade unions or companies or manufacturers' associations, can really begin thinking about the problems we face and attempting to find solutions to them.

Mr. Frank Maine (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, in responding to the request of the hon. member for Vaudreuil (Mr. Herbert) for the tabling in the House of approximately 1,600 job studies in the construction trades series which were prepared in order to update the Canadian Classification and Dictionary of Occupations (CCDO), and were carried out under contract by Southam Business Publications, Don Mills, Ontario, I am bound to say there is a very compelling reason why I cannot agree to that motion.

In many instances job information collected for studies such as these is considered to be confidential by the companies concerned. As a result, to reassure those establishment assisting in this program, the then Department of Manpower and Immigration gave an undertaking that the information supplied by companies would be treated as strictly confidential. Under the circumstances the tabling of these job studies in the House would constitute a breach of trust on the part of the government and I cannot condone such a course of action.

I am sure that my hon. friend from Vaudreuil knows that during the past two decades Canada has experienced a period of rapid economic development. The growth of a technological society produces numerous socio-economic changes. Although each economy makes similar responses to technological change, its job structures are largely a reflection of its own

policies, developments and goals. For this reason it is desirable to establish and maintain an occupational classification system suited to its national requirements.

A multi-purpose standard classification of occupations is an important instrument for studying the development and utilization of employment resources. It needs to be standardized because, for research and analysis purposes, data compiled on the basis of one system cannot be compared satisfactorily with data compiled on the basis of other systems. It needs to be multi-purpose because standardization is worthless unless it meets the needs of various users and facilitates communications between them.

Experience has shown that the development of a standard occupational classification which completely satisfies the requirements of every probable user may not be possible but one that services as many needs as possible is invaluable. Statisticians or economists studying the labour force are normally concerned with wide groups of jobs rather than individual jobs. Their statistics are usually assembled in a limited number of categories designed to contain job groupings which are relatively homogeneous in terms of a particular characteristic. On the other hand, continuing labour market programs such as job placement, vocational counselling, training and immigration deal with individuals, and thus specific occupational definitions are needed. For statistical reporting purposes, however, the latter programs are also concerned with wider groups of related jobs. This common interest provides a link between persons concerned with otherwise different programs.

The concept of a standardized occupational coding system has been recognized by many countries as essential for effective labour market planning, employment operations and career development. In October, 1966, the Quadrennial Conference of Labour Statisticians at Geneva endorsed the concept of national multi-purpose classification systems and urged that these systems be related to the International Standard Classification of Occupations (ISCO).

Because Canada did not then have its own standard occupational classification system, a number of quite different systems had been used for many years. Statistics Canada used a classification system suitable for collecting and compiling information from census enumerations, but not for other purposes. The job placement operations of Canada Manpower Centres used the United States Dictionary of Occupational Titles (DOT) to code occupations, while the immigration service, for a number of years, used the International Standard Classification of Occupations (ISCO). It was difficult to compare data compiled from one system with data compiled from the other two systems. The use of a variety of systems tended to complicate planning and operational activities.

Social scientists require an occupational classification system that enables them to determine the actual changes which have taken place in the structure of the labour force. Such a system is essential for analytical studies and the preparation of projections and forecasts. The design of a Canadian classification system had to ensure, as much as possible, the historical continuity of statistical data. Statistics Canada, therefore, had considerable interest in and input into the initial design of an occupational classification system that was to be convertible to, and a replacement for, the 1961 Canada Census and compatible with the revised International Standard Classification of Occupations (ISCO) for international study and report purposes. The then Department of Manpower and Immigration required a system that was convertible to the American Dictionary of Occupational Titles (DOT) because past records were coded to this system. In 1966, to resolve these inadequacies, the Department of Manpower and Immigration and Statistics Canada launched a joint project to develop a standard national classification.

The main objective of the Canadian Classification and Dictionary of Occupations, or CCDO as it is familiarly known, is to provide for Canada a standard multi-purpose instrument for use in labour market research and analysis, for statistical survey purposes including census taking, and for operational activities such as placement, counselling, training and immigration. It is designed to facilitate analysis in various manpower fields, for example, job market analysis and worker mobility; it is a useful tool in career counselling and placement services; it provides essential data for the planning and evaluation of educational and training programs; and it has many uses for personnel operations in business and industry.

The census occupational classification which is now based on the Canadian Classification and Dictionary of Occupations is widely used throughout Canada in many statistical surveys. Thus, the CCDO has achieved the most important function of a multi-purpose classification system, for example, increasing the quantity and improving the quality of occupational information in Canada by standardizing the occupational categories and definitions used in different programs and, consequently, the occupational statistics and other information derived from various sources.

● (1750)

Internationally, CCDO is recognized as the leader in systems of this kind. In such diverse countries as Japan, Mexico, Algeria and Fiji, CCDO has had a direct influence on the development of national systems. Recently, after having reviewed the major systems available, Australia has opted to base its own system on the CCDO approach and has asked the Canada Employment and Immigration Commission for assistance. The United States, which is only now moving toward a system comparable to Canada's, recently published the "Standard Occupational Classification Manual", and in the foreword it says:

> In its work, the project staff also considered new developments on occupational classification at the international level. In this regard, the International Standard Classification of Occupations (ISCO), the Canadian Classification and Dictionary of Occupations, and the British Classification of Occupations and Directory of Occupational Titles were major references.
>
> Extensive use was made of the Canadian Classification; we are grateful to the Canadian government for their permission to use concept, definitions, and phrases from their publications in this classification.

Canada's lead in this field is being maintained and expanded as the system adjusts itself to face an automated future. This lead and excellence could well be jeopardized if we dried up the sources of valuable detailed data volunteered to us under the protection of confidentiality.

The actual nature of work performed was selected as the basic principle in the CCDO because it is significant to all users of the multi-purpose classification system. Other criteria such as "training time required" or "working environment" were considered and rejected. Such criteria are related more closely to the worker than to the occupation and are thus more subjective in character. For this reason they are not acceptable as basic criteria to all users of a multi-purpose classification structure.

The CCDO classification is a coded taxonomic structure that organizes occupations into distinct categories. The first category consists of 23 major groups which describe broad fields of work. The second category consists of 81 minor groups which are further subdivisions of related fields of work. The third category consists of 498 unit groups which describe closely related groups of occupations. These three categories permit the aggregation of statistics at three different levels and are designed for the common statistical reporting requirements of all types of programs dealing with occupations. Within each of the three category or unit groups we find several individually coded and defined related occupations. This latter development serves the needs of job placement, immigration, counselling and training.

The important basic principle of using "work performed" to develop categories at all levels in the CCDO was determined by the duties and tasks indicated by job analyses conducted in private and public establishments and institutions, and through a variety of associations across Canada. In order to gain the co-operation of these establishments and institutions it was first necessary, as I have already mentioned, to give an undertaking on behalf of the federal government that all data gathered by our analysts would not be directly linked to the establishments which co-operated. If these 1,600 studies were tabled in this House, this undertaking would be severely shaken and I am, therefore, opposed to the tabling of these studies.

Mr. J. R. Ellis (Hastings): Mr. Speaker, it was not over a month ago that I stood in my place and supported the hon. member for Vaudreuil (Mr. Herbert), who was then seeking information on an entirely different subject. At that time I sat and thought perhaps there was something very secret in what he was seeking. I thought that again today. I thought perhaps there is something which should not be made public. However, the situation is the same now as it was then. What we got again today was gobbledygook, bafflegab and flimflam.

I have to say that the parliamentary secretary reads exceptionally well. I do not know that in 12 or 14 minutes I could handle all those 35-cent words one after the other. It used to be that they were 25-cent words, but this government has pushed inflation so high that those words now cost 35 cents.

I have never heard such nonsense in all my life. No one expects the government to make known in this House the fact that John Jones is working for the Dow Construction Company or what he does. That is not the point. We are not in the least interested in that. I have spent all my life in construction. I am not directly involved now to the extent I was years ago, but I am still involved in construction in a peripheral way, and I know that the information which has been discussed would be very valuable.

I commend the hon. member for Vaudreuil. As the hon. member ticked questions off his list, I thought to myself that that information would be worthwhile to a contractor or a construction man. I do not care whether Mr. Jones works for Dow Construction, but I would like to see the results of all this study. I would like to know the answers to the hon. member's questions. If the Department of Employment and Immigration received answers, it should give us those answers. We are not interested in names. We do not need to know that a job on the corner of Gladstone Avenue and Bank Street was done in a certain way. We do not need to know that, but if the department got answers to all those questions, why in heaven's name can we not have them?

Surely in our enlightened age we know that if the government gets information from certain contractors, it will not pass it on to another contractor to help him bid in opposition. I cannot believe that as he stood in his place the parliamentary secretary believed that nonsense. However, he stood there for 12 minutes. He spewed out words about CCDO, ISCO and all kinds of things. He has not the foggiest notion of what they mean. I have a great deal of respect for my friend from the Wellington area. He is an excellent scientist, but I would bet that he has never done a bit of construction work in his life. If he had, he would realize the value of this information. He would realize that the possession of this information by contractors would produce tremendous results.

I know this government gets involved in this sort of thing. In the last few days we have seen some indications of what the Minister of State (Fitness and Amateur Sport) (Mrs. Campagnolo) and her department can do with computers. The Department of Public Works has a computer specification coming out, and it is a dandy. By golly, you can push a button and get a 15-page specification for a push-button on an outhouse door. However, if we are going to do all of this and if we are going to put all this information into a computer, why can we not get it out?

Why did the hon. member for Vaudreuil not receive an answer to his question? He is not asking for names or details. I did not count them, but I think there were 25 or 30 questions, all of them legitimate questions. Let us see if we cannot get the answers. They would be valuable to the whole of the construction industry. Surely to goodness there is no justification for hiding the answers, unless it is the innate sense of secrecy of this government.

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, I am surprised that hon. members opposite, with the exception of the last speaker, should get up and demand

information without knowing what they are talking about. They are asking that the government release information it promised industry it would keep confidential. It surprises me even more to hear an experienced member like the hon. member for Winnipeg North (Mr. Orlikow) talk for ten or 15 minutes all around the subject but refer to it directly only at the opening and closing of his remarks. The hon. member for Winnipeg North spoke about something else and pretended that what was at issue was a report instead of the date on which the report is based. The hon. member was being either devious or dumb, and the House can be the arbiter of that question.

There is a vast amount of information here. The opposition is always complaining about the government's wasting taxpayers' money, but on the other hand it says it would spend more. Now hon. members opposite want somebody in the employ of the public to go through the interviews upon which these 1,600 job classifications were based, remove all names or references to companies or individuals, and then table all that information in the House.

Who would use it? Certainly not the hon. members we have heard from today.

Mr. Knowles (Winnipeg North Centre): The hon. member for Vaudreuil (Mr. Herbert), a Liberal, would use it.

Mr. Deputy Speaker: Order, please. The hour provided for the consideration of private members' business has expired. It being six o'clock, I do now leave the chair until 8 p.m.

At six o'clock the House took recess.

• (2000)

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

NATIONAL HOUSING ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Ouellet that Bill C-29, to amend the National Housing Act and Central Mortgage and Housing Act and to make other related amendments, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, before we moved on to other business at five o'clock I was speaking on the housing bill before us today and the criticisms I have of it in terms of the Liberal government moving away from an activist role to the degree that is needed for providing affordable housing to Canadians. I began analysing what were the reasons behind the high cost of housing and I elaborated on the fact that the cost of materials is increasing, the cost of labour is increasing, and the interest rate on mortgages is going up. The fourth factor on which I should like to comment is that what is pushing up the cost of housing is the cost of land. It is only by understanding what the causes are that we can hope to come up with solutions to the problems.

[Mr. Dionne (Northumberland-Miramichi).]

• (2010)

The cost of land in Canada for housing has been rising at astronomical rates over the past few years. One study shows that the cost of lots in any moderate-sized community from 1971 onward at least has doubled, and in some cases has moved higher in price than that. Of course there are a number of developers assembling land in urban areas. They are sitting on that land, holding on to it, and allowing the price to increase through speculation and lack of supply. They only release a certain amount of land at a time. Also studies have shown the control of land in major urban centres is in the hands of a very small number of developers.

What has happened is that we do not have much competition any longer in terms of land development. Certainly this is no exception in my community of Sault Ste. Marie. Indeed certain prominent members of the Conservative party are involved very heavily in land assembly in the Sault Ste. Marie area.

One study shows just what is happening with land developers. Profits gained by large suburban land developers have added some $7,000 to $10,000 to the price of new $50,000 homes in cities such as Regina and Winnipeg. In Ontario, the Peel Housing Task Force found that profits on lots were 22 per cent of the final selling price of houses. One can only conclude that certain developers are making windfall profits, and that is a major factor in forcing up the cost of housing.

Of all the reasons I have given for the increase in the cost of housing, I think two stand out above all others, namely, the cost of land and the cost of mortgage interest rates. If we are to have any kind of meaningful government policy to deal with rising prices in housing, we must tackle those two key problems, the cost of money and the cost of land. Throughout the history of housing policy of the Liberal government, and even its Conservative predecessor, we do not find any policy or legislation addressing itself to those key problems.

I do not think we would find much initiative on the part of the Liberal government, or for that matter a Conservative government, in terms of attacking the banks and telling them they must bring down their interest rates for certain income groups. There is a very cozy relationship between the two old line parties and the Canadian banking institution. I was interested in reading the reports of the 1977 Election Expenses Act which listed the contributions political parties received from various sectors and interest groups. What caught my eye was the amount of money donated by Canadian banks to the Liberal and Conservative parties.

For example, in 1977, according to the official returns, the Canadian Imperial Bank of Commerce donated $25,000 to the Liberal party and $25,195 to the Conservative party. The Bank of Nova Scotia gave the Liberals $21,500 and the Conservatives $20,000. The list goes on and on. There is a rather vested interest on the part of the old line parties and the banks which charge these interest rates. I would be very surprised to see any kind of meaningful government initiative to attack such generous donators to its political causes.

In terms of dealing with the horrendously high cost of mortgage interest rates, one must recall that over a period of a 25-year mortgage in the amount of $40,000, with an interest rate of 10 per cent, $4,000 a year is paid in interest alone. That is forgetting about even reducing the principal amount borrowed. Over the term of a 25-year mortgage, a $40,000 or $50,000 house costs in excess of $100,000, and of course the great bulk of it is interest charges.

We in the New Democratic Party say that the only way to attack that major contributor to rising costs of housing is for the government to become tough with the banks and to say to the lending institutions, which have been making incredible profits over the past few years, that they can afford to absorb a less high profit by reducing or offering 8 per cent mortgages to families earning $25,000 or less. There are ways and means by which the government, through the Bank of Canada, could direct the lending institutions to make such lower cost mortgages available to Canadians who want to own homes. Of course this would help renters, the majority of our people who live in apartments. It would provide them with an opportunity to own homes, the dream of many couples. Especially it would help young couples who must face mortgage payments of $400 a month under the present situation. It would bring down dramatically the monthly mortgage bill if 8 per cent mortgages were available. Surely that is a much more progressive means of dealing with high interest rates than any of the proposals I have heard from either of the old line parties.

The only way we can deal with the high cost of land is by the implementation of certain taxation legislation to make it very unattractive for land speculation on the part of developers. It would be more important to move into the idea of public land banking by municipal or provincial governments assembling land which will be released when needed, at prices people can afford, rather than it being left in private hands and suffering the price escalation I have described.

Government funding for low rental housing and senior citizens' units must be enhanced and increased. As I said earlier, I am dismayed the government is pulling back and not offering the needed funds for this very worth-while housing.

In the course of my speech I would be remiss if I did not examine with some seriousness the proposal of the official opposition, the Conservative party, offering a mortgage interest deduction up to a total of $5,000 and a property tax deduction up to $1,000 as a solution to the high cost of housing. I can only conclude that it is a pre-election gimmick on the part of the Conservative party. Every study I have seen shows that it would be just too costly to implement such a program, that it would cost Canadian taxpayers $2 billion to $3 billion a year in lost revenue, which would only increase the deficit.

It is ironic that the Conservative party, which daily attacks the Liberal government for a huge deficit, would advocate a policy to increase the deficit even more. If members of the Conservative party argue its proposal will not increase the deficit, the only way it would do so is if taxpayers pay for it in terms of higher taxes in order to make up the lost revenue through the mortgage and property tax deduction scheme. If we did not take that course in raising taxes to put this scheme in place, then the only other course would be to reduce government services which are now in place further, and in that way reduce spending. Of course, that would only make those who need these vital government programs suffer from the lack of them. I think this is a gimmick and I hope Canadians are not taken in by it. As I said, we can not afford it.

● (2020)

There is a built-in unfairness to this program because it does nothing for tenants. About one third of all households in Canada are described as renters and they would get absolutely no tax benefit from this home owner interest deduction scheme. Nor, of course, would senior citizens, who probably have paid for their houses and are not holding active mortgages. This is unfair as well because it would probably mean interest rates would rise as there would be a greater demand for mortgage funds. More people would probably re-mortgage their homes in order to obtain the advantages of the tax break. In addition, the interest rate could be written off against taxes and there would be no pressure, and there is little now, to keep interest rates down. I imagine the banks would seize the opportunity of increasing mortgage rates even more.

The major default in terms of unfairness in the program is, of course, that it benefits upper income Canadians more than middle or low income Canadians. Surely we do not need any more inequities built into our present tax system than are already there, courtesy of a decade of the Trudeau Liberal policy.

When we look at the inspiration for this mortgage deductability scheme we see it comes from the United States which has a plan already in place. Most United States housing experts, and many government officials, would like to get out of that program because it costs so much and because, as I say, it is so unfair.

The U.S. Treasury Department conducted a study in 1977 of this program which the Conservatives want to bring into Canada and discovered that the highest income group, that is to say, 15 per cent of U.S. taxpayers, derive 75 per cent of the benefits from the plan. It works in such a way that the more you make and the higher your mortgage payments, the more of a deduction you get from your taxes.

What would happen in Canada is that middle income taxpayers would save a couple of hundred dollars under the Conservative plan, but someone in the top bracket would get a

windfall of $4,000 when calculating taxes in the way that this system operates.

Surely if any party in this House, particularly the federal Conservative party, is concerned about a fair tax system, it should follow the Conservative counterpart in the province of Ontario. That government does not have a tax deduction system but a tax credit system for home owners and tenants. The advantage of a tax credit system is that it is on a lower income scale and is cut off at the upper income level. The tax credit system has fairness built into it, and statistics show that the greatest benefits go to the lower and middle income wage earners.

Under the present scheme with the federal Conservative plan, the greatest benefit would go to upper income Canadians and not to those who need them the most. In other words, the Tory philosophy is, the more you earn the less taxes you should pay. I think any honest political party would reject that as a proper base for a tax system. What we have in terms of the old line parties is a gimmick by the Conservatives, and general indifference by the Liberals, when it comes to implementing a viable housing policy for Canadians, especially designed to get at the two key problems, high mortgage rates and high cost of land.

The policies that my party has outlined during the debate, and elsewhere, on the whole issue of bringing interest rates down and the cost of land down, make more sense and offer much more hope to tenants, young couples and others who desperately want and need affordable housing. This is the direction in which we should be moving, not in the direction that this bill proposes, or in the direction of the gimmickers of the Conservative party.

Mr. Whiteway: Mr. Speaker, I rise on a point of order. I refrained from interrupting my colleague in the NDP, the hon. member for Sault Ste Marie (Mr. Symes), during his speech, but in the course of his remarks he made reference to prominent Conservative supporters in his constituency. It is difficult to know what he means because most Conservative supporters are distinguished. He went on to say that they made a great deal of profit. I am sure that, with a sense of fairness, he would want to name those Conservatives who made these astronomical profits he alledged to be somewhat—

Mr. Deputy Speaker: Order, please. That is hardly a point of order. Perhaps the hon. member could raise the matter during the course of his own remarks, or speak to the hon. member.

[*Translation*]

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, I hope that the opposition party will soon put an end to their foolish tricks to delay the proceedings in the House and will finally let us speak once and for all. I am therefore pleased to speak once again in the House, especially about Bill C-29 on housing. Since I have been sitting in the House, I have always been hoping for a housing policy governing corporations and non-profit housing co-operatives. So I am quite pleased to see that we are now considering amendments to the legislation which will allow us to fill some gaps and make improvements.

First, Mr. Speaker, I would like to congratulate and thank the Minister of State for Urban Affairs (Mr. Ouellet) for having agreed to introduce this bill in parliament and I hope it will be passed before the next election. And before going further I have a short message to give to the Progressive Conservative party. They will probably be disappointed but I must say to them that I will be a candidate in the next election. Well, Mr. Speaker, it is a fact that this legislation will fill some gaps.

There are experiences that have been lived through. I remember that before I was elected to Parliament, when I was with the Workmen's Compensation Board, I used to take mornings or afternoons off to go to Central Mortgage and Housing Corporation to try to do something because in the district where I come from, in Hochelaga-Maisonneuve, Ste. Marie, St. Jacques, La Salle or even in Verdun, there certainly is a housing problem, it is obvious. Being conscious of these problems, like any good citizen having lived in slums, having lived what the people are living today, I thought I must do something.

There is a National Housing Act, so I will ask that the law be enforced and I will request a starting fun whose maximum is $10,000, as hon. members knows, or 10 per cent of the cost, as the case may be, just as my friend Mr. Joyal did in his riding. We have established non-profit corporations.

● (2030)

An hon. Member: Order.

Mr. Lavoie: Mr. Speaker, this concerns housing.

Mr. Deputy Speaker: I want to remind the hon. member that he must not refer to one of his colleagues by name but by his riding.

Mr. Lavoie: I apologize, Mr. Speaker. I withdraw what I said, but there are other members who have done what I just did. I hope things are restored. So then we needed this type of grant for rehabilitation purposes. Obviously this amendment will correct the situation, I am sure, but there is still one thing and that is that CMHC officials do not want to co-operate. I want to relate to the House, as I did a few years ago in committee, something which actually happened. If we had been listened to, not only me but also certain CMHC officials, we might not have today in Hochelaga a vacant $50,000 lot, at 8 per cent interest a year, which CMHC has to recover and add to its assets and liabilities. Of course, we were thinking of senior citizens, families, we wanted to develop low rental housing, but at the time that was not possible, because things were going too slow. It took at least two years to build a unit.

Two out of six units were occupied during a period of a year and a half. Why? Because costs were too high and because of

the slowness not only of CMHC, but also of the city of Montreal, because there are regulations, the National Building Code, the Municipal Building Code, all of which create confusion and slow things down. Building costs increase and in the end, what can we offer people? Not low rental housing, but high price housing.

Naturally, I do not blame the minister for that. Nor do I blame the National Housing Act: it is just there. But what happens too often is that those who administer the act are obsessed with setting up regulations that often run counter to our wishes as legislators, I feel we must some day find a way, when we pass a law, not to be exposed to being laughed at later on by the people or the civil servants who say: Sure, you are the legislators but come the next election and you may no longer be there while we will still be here. Those are the answers we get, Mr. Speaker. But it does not matter, these people need not worry because after the next election we will still be here on this side of the House. That I can guarantee.

An hon. Member: Hear, hear!

Mr. Lavoie: Now, Mr. Speaker, I would like to address myself to a certain point and I will do so briefly, of course. We know that the National Housing Act allows any home owner to apply for a grant to repair his house. So what happens in my riding and obviously in others is that people go to Montreal, more particularly on St. Paul Street, to apply for grants and are told: "Sure you will get a grant, but it will take a year and a half before you are paid". Considering that everyone in my constituency is not a millionaire, people get discouraged and forget about the grant. Meanwhile the whole neighbourhood is deteriorating. I invite any of my colleagues from this House who are interested to come and spend one day in the riding of Hochelaga, in Maisonneuve or in Sainte-Marie to visit one street after another. We see more and more derelict houses. What happens then? We all know that a number of aged people live in slums although their pension is reasonable. But it turns out to be expensive for people living in slums. Indeed, medicare is higher because people get sick, heat is higher and so on and so forth. If those who were here before us in this House as well as in Quebec City and in Montreal had thought of the future we would certainly not have ended up with a situation where neighbourhoods like ours are disappearing. And I think that in the case of a ward like mine everything should be undertaken to protect it, not to protect it in a narrow sense but to revive it and keep the traditional image which it has always had and to give its inhabitants decent houses. I suggest that in this society which claims to be just and civilized, we should be able to demand from our governments decent housing and security for our people. I suggest also that if we fail to do so, we should not go and say to the faces of Canadians that we are civilized people, for I should be the first to deny it and say that on the contrary we are heartless people who do not care for our senior citizens.

Mr. Speaker, let us take the case of the low rent housing situation in Montreal. Last year the city of Montreal had a supply of 600 housing units to meet the demand of some 6,000 applicants. This supply represented only 10 per cent of the demand. I feel therefore that all interested parties should join hands to increase the number of units, and I am sure that some members in the opposition are afraid this bill will cost too much. Well, I have news for them. I shall not go into details, that would be too simple, Mr. Speaker; if they do not understand them, I hope the voters will take advantage of the forthcoming election to send them packing. It is not complicated. Mr. Speaker, when amounts of money are invested in non-profit corporations or co-ops, it is clear that after 25, 30, 40 or 50 years, they will say: "So what! In 30 years, the hon. member for Hochelaga will not be here any longer". It is true he will no longer be here. As a matter of fact, it is quite certain. But today, he is here. He is here to pave the way, like his hon. colleagues. That is what we are going to do, Mr. Speaker.

And you will see that all the figures which the opposition can produce are wrong, because we will invest in housing; after 30, 35 or 50 years non-profit corporations can make no profit whatsoever, and they will continue collecting rents which, after all, only represent contributions by the active member in the corporation. Then one-third of this amount can be paid to the city of Montreal and another third to the province of Quebec—and if they ever decide to separate and still want to co-operate, well, they will get a third of it—and the other third, of course, will go to the federal government. Then everybody will realize that housing, neighborhood improvement and other programs will pay for themselves. But first, of course, we have to invest. If we do not invest, the situation will clearly keep on deteriorating. That is for sure, Mr. Speaker, but I will have more to say about non-profit corporations.

• (2040)

The government has been very active in recent years. Let's take for example the old Montreal area with its harbour and grain elevators; the Minister of State for Urban Affairs (Mr. Ouellet) made a statement last year about it and work is already under way. No sooner said than done. Work has already started. Montrealers will be able to get close to the port, walk through the Vieux Montréal section, and see what is going on there. The federal government has invested plenty of money in that area. Members of the opposition may have forgotten that. I hope not but in any case, I am reminding them. Now, let us go back to last april. In my riding, there is what we call Place Frontenac, a complex consisting of three high rise 15-storey buildings. My office is now located in one of them. Of course, that was in 1971. At that time, I may not have been a member of the same party but today I am on the right side and all is going fine.

An hon. Member: You have learned.

Mr. Lavoie: You are right; I have learned. At that time, Mr. Speaker, I said that Place Frontenac was not an asset for the people of the Hochelaga-Maisonneuve neighbourhood. Over the years, there were many problems and it was nevertheless the Minister of Urban Affairs who had to bear the burden.

Last May, the minister announced a special policy for Place Frontenac so that senior citizens could at last get housing according to their income. I was pleased with the decision at that time. Now, that is a few weeks ago, Place Frontenac became the property of the tenants of those three 15-floor high rises, that is a non-profit corporation, which should certainly enable them to pay reasonable rents with the new policy of the government. Of course, Mr. Speaker, our constituents talk about low-rental housing. Of course, to them, low rental housing means extremely low rents. Building costs being what they are today, the situation has changed considerably. Anyway, I read in *La Presse* this week that the minister said the shelter allowance will cost between $450 million and $1 billion a year.

It is obvious that the provincial government was supposed to go along. In fact, last year, I met the minister's assistant in Montreal. Mind you, he did not want to see me. But when I told him: If you do not, the press will know about it, I do not know if he was scared but he said: Yes, I shall meet you. I discussed with him and at some point he simply said that it was the policy of his department to establish a shelter allowance. Fine. But he added: It is not the government's policy. So you immediately see the image projected by this government which does not want to co-operate and leaves old people in ghettos, which does not want to help us help them and also leaves families in ghettos. Again last night, Mr. Speaker, when I arrived at my constituency office I had lots of people and it lasted until 11.30 p.m. There again I had housing problems, people coming to me for help. They go and see their alderman who says: Go and see your member of parliament, he is going to fix all that. I understand perhaps, Mr. Speaker, that Brother André was performing miracles but I am Brother Jack who just rings the morning bells.

Mr. Speaker, we met a few times with the Montreal mayors conference which is now in session. We talked about urban transport because that falls under urban affairs. Well, obviously, if we want to improve the economic situation in eastern Montreal—I think, of course, that I asked the question and the answer was extremely logical and I understood it as an intelligent man—we will have to follow the situation closely to determine sooner or later, as I put it to the Minister of Transport some time ago, whether it would be possible to continue the Mirabel line as far as the Angus shops. There is a big vacant lot where 8,000 housing units could be built. There is a project by Marathon, a subsidiary of Canadian Pacific, under which those units could be offered to non-profit corporations and we could also have one of the biggest shopping centres in Canada, and that shopping centre would operate on a co-operative basis.

Right now, according to the latest news, I am told they decided to make an industrial park out of the Angus shops and put up houses along the east-west expressway. So they are against it. I do not know if the whole world has turned topsy-turvy, but it is a fact, Mr. Speaker, that such a project with respect to the Angus plant would be very beneficial to building in the city of Montreal which is almost at a standstill. Jobs could be created in the building trades, and after the project is completed some 4,000 permanent new jobs could also be created, of which 3,000 at least do not require any special skill.

I think it is important, Mr. Speaker, to keep this in mind. Of course, this does not depend only on the federal government. I put this question before to the Minister of State for Urban Affairs (Mr. Ouellet). He agrees on this project. However, there is still the provincial government as well as the municipal government which controls zoning. Let us wait and see. Anyway, since we will meet with the Montreal executive council next Monday, I shall certainly raise the matter. So, I am referring to this in the House in the hope that the message will be relayed to the Quebec authorities, and as for Montreal, I will make sure to broach the subject next Monday. I usually make no bones about raising such matters.

So, Mr. Speaker, I would like to return to a point I mentioned rather briefly earlier. The rehabilitation or building of homes requires electricity, of course. Therefore I hope nobody will ever tell me some day that there is a shortage of electricity because I will start asking questions, namely whether there is still water running in the rivers. On the other hand, if we are successful, Mr. Speaker, we will have found a way of conserving energy. There is much talk about oil or other shortages. Well, if houses are electrically heated, we may then keep on using oil for other purposes as we do now and we will no longer have to worry about oil.

● (2050)

Mr. Speaker, people live in old houses that are not necessarily shacks. Everyone knows how much it costs to heat a home. Many families heat their homes with oil or natural gas besides electricity. Of course, this is costly! Obviously, in a constituency like the one I represent, when we consider that nearly half of the population is idle—and I hasten to add through no fault of theirs, Mr. Speaker—people have problems. In my area, we have suffered the consequences of the actions of some people, members of parliament like myself and my colleagues, who were there before us, especially in the Quebec government. We have seen nearly all the buildings on Notre-Dame Street being demolished, many businesses go bankrupt on Sainte-Catherine Street and many companies disappear. The poor guy who has lost his job and only has grade seven or eight is too old to go back to work after he has collected his unemployment insurance benefits and has to go on welfare. Imagine his problems when he finds himself in another tenement.

Mr. Speaker, I believe it is very important to be positive. Therefore I hope that if the opposition has certain amendments to suggest, they will do so now. This would be the time to do it while we are sitting in this House. We must not be content to criticize. For my part, I could criticize a lot of things if I wished, just like the opposition wants to do. I could criticize the minister and Central Mortgage and Housing Corporation. This is why I am here. But what is important is to suggest solutions. For my part, I have some to suggest and I hope that I will have the time to submit them before my time is up.

It is quite obvious that socially and economically, the amendments to this act concerning an increase in the number of non-profit organizations will be very useful. I hope that the city of Montreal and CMHC will "thaw out" as winter is almost over and we hope that the weather will be warm enough to "thaw them out". Mr. Speaker, I would like to make a few suggestions. It is rather strange, but it has always been like that in my riding. An end should come to that farce one of these days.

Mr. Speaker, when you look after your house, you tell yourself that you will make it more congenial, more comfortable. Of course, whatever happens is not to be blamed on the federal government but rather on the municipal government. They come by and raise their property taxes. I could even mention something that occurred recently in my riding where a co-operative was set up. Last summer, those who had repaired their houses, put up lovely flower boxes, had their rent increased. They are really discouraged and ready to give up.

I make this suggestion which I will repeat next Monday before the executive committee of the city of Montreal. I make it here before parliament as the federal government might participate in this project. I think that in such cases, the municipality should, when a taxpayer wants to effect improvements to his house, whether it is in Montreal or in any other municipality in this country, grant him a tax rebate to encourage him to keep his older house, and also to promote a good neighbourhood spirit.

Besides, municipalities should raise their tax rates for those who do not want to upgrade their houses for one reason: in Montreal East, the majority of shabby and dilapidated houses are owned by trusts, multimillionaires, who will have nothing to do with our working poor or senior citizens. In the meantime, their taxes are next to nothing. But the small home owner who wants to join a co-op, do something, help, get involved in the life of his community what do we do to him? We tax him. So, I feel this would first prevent speculation, and second, it would force those big corporations to do something, because we know they hate losing a buck. They would rather sell at a discount than lose money. So this could be suggested to local authorities, and the Canadian government could contribute.

To enlighten the opposition, work out the figures correctly. They are not that high. This means that if those people pay less property tax, I mean the people who improve their houses, and if the others pay more, it will even up. The Canadian government could contribute, and even the provincial government if they wanted to. So in the end this would not be that much more expensive. It is an investment, no more, no less, and whole urban areas would be saved.

Any way this sounds quite sensible to me, and I hope the suggestion will work its way through. The opposition may also bring other suggestions.

Mr. Speaker, there is another point I would like to make: We have non-profit corporations or co-operative housing corporations. For quite some time people going to the Central Mortgage and Housing Corporation have been given a huge pile of papers. There is a table there, the references to two months or two months and a half. A time frame is provided. You do that voluntarily, you realize that? This is voluntary. But you are given a schedule, and it takes six months before you can consider renovating a house. Think how many houses will be built at that rate! This is not in the act, it is in the regulations put out by CMHC officials. I set up another non-profit corporation in my constituency, Hochelaga. I went to the Central Housing and Mortgage Corporation and I said: We are asking for starter funds; not me personally, I only sponsor the project since, as a member of parliament I am obviously not entitled to subsidies. So I said to them: Gentlemen, we are given only $500 to start; we are given instructions, so much for this, for that and for that. I said: Gentlemen, you are way off the ball. This makes no sense whatsoever. All I ask is that you apply the National Housing Act. It is there as clear as can be.

This makes me laugh, Mr. Speaker, because all these experiences are worth relating. This makes me laugh because you submit plans which you have to be redone over and over again. And this is an expensive process. I remember the first non-profit corporation I created in Hochelaga. A building contractor kindly offered to lend a hand. He had to redo the plans a great many times. Imagine what that would have cost us, if he had charged each time, besides the shortfall of $50,000 at 8 per cent interest per annum. It was no piece of cake, Mr. Speaker. But there is another suggestion I would like to make. I have already suggested this to CHMC. We know that non-profit corporations hire building contractors or someone to oversee the whole project, award sub-contracts, etc.; these people pocket 20 per cent of the profits. I think that we could grant by means of the National Housing Act and its regulations a certain amount of money which would go to a person who would be called the project co-ordinator and who would manage the repairs and later find a responsible person who could hire subcontractors, and it could well cost 10 per cent instead of 20 per cent. Immediately, at that very moment, costs would be reduced, because it is important, Mr. Speaker, to be cautious. You must keep in mind that even though I say those things in relation to the administration of the Central Mortgage and Housing Corporation Act and its regulations I cannot entirely blame them, because they have to be careful and I will tell you why. I think that in this House I have a right to say certain things and it is my privilege to do it. I will

not mention any names. I will simply say that some people belonging to the organization of the Progressive Conservative party, who were part of my own organization at that time, did try to entice me into a gimmick involving $10,000 in pay-offs in connection with non-profit housing, and that I never accepted such offers. But it would seem that somebody got these $10,000. I even asked the RCMP to investigate but nothing could be done in that case. So I certainly hope that public interest will still be protected, but there should also be more flexibility and it should be possible, Mr. Speaker, to get housing to move faster because it is much too slow now. It is a never ending process.

What is happening now is that people working on a voluntary basis are discouraged by these procedures and stop working. The law is there to provide for everything needed, but appropriate formulas have to be found in co-operation with the Central Mortgage and Housing Corporation to make housing procedures easier and faster. There is also an important point, probably one of the last, Mr. Speaker, about which I am very happy. It is obvious that the bill before the House is aimed at increasing the participation of the private sector, that is credit unions and banks, by allowing mortgages on non-profit housing.

Of course, through the Central Mortgage and Housing Corporation the federal government will guarantee these loans up to 100 per cent. I intended to put a question to the minister, and I suppose that he expected it. I hope that with these guarantees the private sector will co-operate and will not have the nerve to turn down non-profit corporations. Certainly, it could say no to a corporation which is not serious, because the authorization of the Central Mortgage and Housing Corporation would still be needed. There are obviously many people working for the Central Mortgage and Housing Corporation. It is not necessarily because of that that the process takes so much time. It is because when you go there with a document, it has to go through the hands of about eight people. They must obviously have enough time to examine it. But it seems to me it is possible to speed things up.

In closing, Mr. Speaker, I urge the parties of the opposition to support this bill. Naturally, the government is open to any amendment to the bill; that is why we are here, to find solutions to problems. But, above all else I hope we will think of the old, of those among us who are less fortunate, who are in need of housing.

If, at some point, we could considerably increase the number of non-profitable corporations, if every hon. member in this House could set up that type of committee, in his riding, specifically to increase the number of housing corporations or co-operatives, I feel we could help one another speed up the construction of houses. Indeed, when you live in a house where you are cold, where you have to pay twice as much as others for heating, especially this year when winter has been rather severe, life is not easy for people.

I trust that the first goal of hon. members in this House is, first and foremost, to put the interest of all Canadians ahead of party or personal interests. That is the wish I express for the benefit of all hon. members trusting they will do the same.

• (2100)

[*English*]

Mr. David Crombie (Rosedale): Mr. Speaker, I appreciate the opportunity to intervene in this debate on Bill C-29. I might say that when I read the bill I was not surprised at the contents. Everyone who has been on the receiving end of the government's policies over the past seven or eight years is well aware of the difficulty the government has had, first, in shaping its policies and, second, in implementing them.

Essentially, the bill does three things. First, it disentangles the mess which the government has created in housing at both provincial and municipal levels over the last seven years; second, it cuts out the government's financial commitment to housing and urban affairs and, third, it winds down the Ministry of Urban Affairs after its death was announced in 1978. That is really what the bill does on behalf of the government. It disentangles, it cuts losses, and it winds down the ministry. That is what most people thought would be the case.

I was surprised, though, to hear the minister speaking in defence of the bill. Despite what the legislation was saying, he seemed to approach the subject with no sense of humility about what has happened in the last seven years. I read his speech again to make sure that I had fully understood it. This was not a minister trying to explain why things had gone wrong. It was not a speech in which he sought to indicate there were other ways in which things could be done. Here was a minister trying to shine up the unshineable and to polish up the unpolishable. It was unbelievable.

In attempting to draw a rosy picture of unsullied success in the last seven years, in order to put some flesh on these bones, what did the minister do? He took credit for making sure we had hot and cold running water. That is to be found in black and white on page 3544 of *Hansard*. As recorded on the same page, the minister took credit for stabilizing the price of housing. It is true he only picks out one year—1977—and it is correct to say that prices went up only 3 per cent in that year. But would he dare tell us by how much the price had gone up since 1968 when this government took over, or since 1970 when this ministry was established?

• (2110)

Every Canadian knows that the price of housing has doubled in ten years, and more than doubled in some areas. It is appalling that the minister should try to polish up the handle of the big brass door by saying it went up 3 per cent in 1977.

I think it is important that what this legislation says is put into perspective. What does it say to the people of this country? First let us talk about the things it says to people who live in substandard housing. That is a concern of the minister. He said he was worried about that. In 1973 a good philosophy was introduced. A good program, the Residential Rehabilitation Assistance Program, was introduced. I recall being here in a committee of this House in 1973 and urging the policy on the then minister. It was a good concept and a good philoso-

phy. Basically what it said was that increasingly in the older areas in the cities of this country—

Mr. Darling: And towns and villages.

Mr. Crombie: —and towns and villages as well, including Burks Falls, there was housing stock which needed to be rehabilitated. At the outset there were certain restrictions placed on RRAP. First, it was available only to people who earned less than $11,000. Second, it was available only in certain designated areas in those cities, towns and villages, primarily areas which were known later as neighbourhood improvement areas for non-profit and co-op housing projects, and therefore usually older areas.

Those two restrictions were very important. The first one, the $11,000 income cut-off level was cut out, I think, in 1975. I am not sure of the year, but it was a couple of years ago. However, the money was still confined to designated neighbourhood improvement areas. There was one small difficulty with that designation, and that is that there were some areas, some streets and some housing just outside those NIP areas which also should have received some of the money. So there needed to be written into the legislation some small amount of flexibility. What the minister did about that small need was unbelievable. On December 12 of 1978 he announced that from then on in, the rehabilitation program would not be confined to NIP areas. RRAP was going to be universal. The Minister of Agriculture (Mr. Whelan) will remember that. A universal program for RRAP was announced on December 12, 1978.

The minister was cautioned by CMHC officials. Hon. members may recall the letter written on January 3 by a very worried president of CMHC, Mr. Hession, to the minister. The first paragraph says, and I quote:

I am writing in regard to the availability of funds under the Residential Rehabilitation Assistance Program. Since the announcement of December 12, 1978 about the proposed removal of statutory area constraints on the program, we have been receiving calls from the media and members of the public at large on this subject, and it is important that we know how best to respond.

You bet! Poor old CMHC had to take all the calls from people across Canada saying they would like to have their RRAP money because the minister said it was universal. Poor old CMHC had to say it did not have the amount of money required. In fact on January 3 the president of CMHC pointed out to the minister, and I quote:

The 1979 capital budget is $56 million. We will need $37 million to maintain activity in the existing designated areas where work has already begun. A further $3 million will be needed to deal with areas already designated but where work has not started. This leaves $16 million of the 1979 budget for new initiatives. However, 68 areas have already submitted final applications for designation under the 1978 rules. After the new law comes into effect, they will not need order in council designation, but they will warrant some priority attention . . . Thus, only $9 million for some 2,250 units remains for work under the terms of the new program criteria once the bill is passed.

The president of CMHC also told the minister the following:

This is a fairly modest amount and we should avoid raising expectations which we cannot satisfy.

What does the president of CMHC propose once this bill is passed?

I would like simply to note that it would appear virtually impossible to establish a system which does not involve the selection of areas for priority action, even though accommodation can be made for scattered site applications too.

Well, son of a gun! We are right back to designated areas again. In fact, so concerned is Mr. Hession—not was, but is—that he was pleased to offer the minister a backgrounder so that the minister would at least get some grasp of what he was saying. He sent the minister a backgrounder, a ten-year plan to modernize and rehabilitate Canada's housing stock. He wanted the minister at least to look at it. I will not go through the four pages. I will just read the last part. It says, and I quote:

What it means in the briefest terms is that while a considerable number of people can take action in the near future, because their areas and homes are in bad shape, others will need to wait for a while. It also means that the rehabilitation effort will continue to be concentrated in specified action areas as in the past—

That could not be any plainer. There is a reason why CMHC has to do that. It does not have the money to have a universal program. That did not stop the minister, by the way. He said in December that it is a universal program. The president of CMHC wrote him a letter and said, in effect, "Please don't do that, sir; we don't have the money, and you are just going to raise expectations and disappoint people." Yesterday when the minister spoke in the House he did not use the word "universal". He went further, if one can go further than universal. He said that it is a program, and I quote, "available to all of Canada." He said that in the face of the letter he received from the president of CMHC.

The reason I dwell on that is because in so much of the housing and urban affairs policy of this government since 1970 it has not been policy which has dominated. It has been public relations which have dominated and motivated pronouncements, announcements, and ultimately retractions, because of the way this government has proceeded with respect to urban Canada. That has hurt people. Many people say that a certain program is good and that because the minister says they can get money they would like to fix up their houses. The fact is that there is no money. Public relations are not policy. People who are interested in rehabilitating their homes do not trust the policy of this government.

What does this legislation say to the neighbourhoods and communities of this country which want to improve themselves? I speak now of the so-called community services grants program. The community services grants program is really a merging of three previous programs. The first is the Neighbourhood Improvement Program which expired last March. It was a very good program since its inception in 1973. In fact, since 1975, $200 million has been involved. I give fair marks to the government on a very good program. That was the first program. The second program is the Municipal Incentives Grants Program which was to offer incentives with respect to the medium-density, low-cost housing in municipalities in this country. That expired last December. The third is the Municipal Infrastructure Program. Although the minister took credit

for it, it began in 1961. If I recall history—and of course the Minister of Agriculture can correct me—I think we had a Conservative government at that time. Since 1961 $1.5 billion has been coming from that program in the last 17 years to the municipalities of this country.

● (2120)

The minister could have taken credit for these three things. Those are things that have really happened and that have helped people and helped neighbourhoods. In fact, there was some thought about taking the three programs and merging them into a community services grant program, block funding, and using those funds as well for rinks, community halls and community centres. In fact, block funding was recommended to the ministry in the standing committee in 1973. I know because I made the recommendation myself. So I am glad to see the principle of block funding finally there six years later. But again, what is the way to deal with the problem? Offer the policy, implement it, and try to be known by your good works alone? Not this government. Here is the press release of May, 1978, put out by the minister on this matter. The bill was only brought here in March of 1979, but in May of 1978 the press release from the minister stated the following:

Quietly, without a lot of fanfare, the hon. Andre Ouellet has moved with his provincial counterparts to decisively alter the relationships between the federal and provincial governments in the housing and community services fields.

By the way, that is not new, that came out in the press release last May. What happened since last May? Knock on the door of any municipality in this country right now, or telephone them, and they will tell you that in the last 18 months or almost two years there has been nothing but delay, anxiety, and confusion in the municipalities as to what the heck this government intends to do and when they will do it. They do not know what assistance is available under the community services program. They do not know what assistance has been withdrawn and they do not know anything about the implementation dates of any assistance that might still be there. If you do not believe that, call the municipalities in your own riding, because essentially what the government did do was to paralyse the ability of the municipalities to plan both in terms of land use and in terms of their capital budgets, because you cannot plan if you do not know how much money you will get for sewage, for medium density low cost housing, or for NIP. So every municipality in this country which has those programs available to them has been unable to implement them for what amounts to two fiscal years.

Interestingly enough, as most people know, capital budget time for municipalities come just about now. Most municipalities have already prepared their budgets, so it will not help them this year. What the government has given the municipalities is delay and confusion with regard to the community services program. In fact, when you read the fine print, you find that at least the old Neighbourhood Improvement Program gave 25 per cent in front end money, that is to say, you have 25 cents on the dollar early on so you can use the money to plan with it. That is cut out now. We are back to the old urban renewal idea of the municipality doing it, charging it, and then recovering the money. That is not great, but it is okay for a city like Montreal or Toronto, it may be all right for Winnipeg or Calgary, but it is not very good for medium-sized or small-sized municipalities. They cannot put the money in the budget. That is why NIP provided them with an opportunity to do their planning early. Read this bill and you will find that such a provision is not contained in it. That is why you will not need much money for the NIP portion of the municipality services program because people have not been able to plan for it.

What does this mean? The government brought this program to a standstill. The municipalities are not using it. Do you know what that means, particularly when you deal with NIP in any neighbourhood? You have to put together an organization of people and you have to keep them going and interested in their work. The only way they keep on being interested is when they have the bucks to do the job. Nobody likes to continue talking forever and have nothing done. If you get to a situation, as is the case in Toronto, in Montreal, and in all major cities as well as in medium-sized cities—there is a mayor or two across the way who knows from previous times the point I am making—where you want to keep up interest in neighbourhood improvement, you must make sure the money is flowing. I am telling you, it is not flowing now. Telephone any municipality in your own riding. The hon. member for York South (Mrs. Appolloni) can phone City Hall in Toronto and find that out right now. In fact she can phone Paul Ringer and find out.

Mrs. Appolloni: Call the province of Ontario.

Mr. Crombie: Third, what is this legislation saying to the people who pay more than they should out of the income they have for the housing they get? These people pay more than is reasonable, according to home economists, more than they should be paying for housing, given the size of their income. We are advised that there are 438,000 people in this country who pay more than 30 per cent of their income, and there are 800,000—it does not seem like much if you say it fast but it is a lot if you say it slowly—800,000 households paying more than 25 per cent. What do you say about that? What does the bill say about it, and what does the minister say about it? At page 3546 of *Hansard* of February 23 the minister is reported to have said the following:

But in their case, and I say it again, theirs is not so much a problem of housing as one of income.

How do you like that? I know the Minister of Agriculture would agree that if prices of food went up 300 per cent, he could use the same argument, that the problem is not one of food but one of income. If there were a 1,000 per cent increase in the cost of furniture, it would not be a furniture problem but an income problem.

The minister went on to say the following, and this is the best part:

For them, as hon. members know, I announced earlier this week, in a speech I made in Toronto, that there was another solution to their problem,

So he announced a solution. He is the minister responsible, he is not a backbencher like myself, he is not like the Minister of Agriculture, so as the minister responsible in this area, can he go and say, "Well, this seems like a reasonable idea to me. I will do a little wool gathering, I do not have to promise anything, I do not have to do anything about it. What I can do is try to stop people from worrying"? What was so galling about that was that he announced this solution as though he was struck on the road to Damascus, as though he had never heard about it before, as though he uncovered something new for people. In 1972 the department received a series of recommendations in a wonderful book called "Programs in Search of a Policy". It is a title at which the government should look. It is a book on low income housing in Canada written by Michael Dennis and Susan Fish. At page 354 of that report there is a section called "Shelter Allowances". That is what the minister was talking about the other day. I cannot read the entire section because it is approximately ten pages in length.

● (2130)

The first sentence indicates the difficulties of making a building subsidy program work. This leads the authors to recommend a shelter allowance program as the only workable alternative. Also it is indicated that there are many variations in the form such assistance could take. It could be a rent certificate, a rent rebate, a generalized allowance. It could be made payable in the case of tenancy or ownership. It could be payable to an individual or his landlord. It might be payable only to families with children, the elderly, the disabled, or it could be paid to all households. It might depend upon living in adequate housing. It might vary with income, size of family or size of community. These are some of the variations to which the co-authors referred. Then it goes on to offer comments on the experience in Germany, Holland, Sweden, Denmark, Italy and a few other countries.

Shelter allowances which the minister talked about in Toronto are not new. In fact shelter allowances were recommended to the government six years ago. For the minister to suggest that it is somehow an alternative which he thought up for the election, is something for which he will have to answer. By the way, if I had not read from that publication, I could have offered another one. The Canadian Council on Social Development came out with a report on the matter a couple of months ago. They made the same argument as Michael Dennis and Susan Fish six years ago. It has been around a long time, and I might add that it is a good policy. The idea of a home shelter allowance is a good one. It has certain advantages. Essentially it would assist people rather than buildings. That is the basic philosophical difference between it and home subsidy. It would assist people rather than buildings.

An hon. Member: What are the advantages?

Mr. Crombie: The advantages are many. It would cut out waiting lists. There would be no more waiting lists, no more interviews, no more walking around and waiting for someone else to decide where one can live. It would offer an increase in choice. One could live in a number of places. It diminishes the consequences. It broadens the choice. It diminishes socio-economic ghettos. Also it diminishes the stigma of assisted housing which unfortunately still exists. It is more cheaply done. There are studies to show that. If the costs are added up, all the ones which can be seen and all the ones which cannot be seen in terms of subsidizing buildings, it will be found that subsidizing people is cheaper. I might add that it reaches more people in need.

There are difficulties as well. It is with considerable regret that I indicate the government did not spend time studying all alternatives available respecting shelter allowances in the last six years. Approximately six years after the government received the recommendation, airily the minister said that it is a germ of a good idea. We could have been on to a program of home shelter allowances previously. There are a number which have been established partially in the country. I think the minister should have started some years ago by saying, "Let us begin with senior citizens".

There is a program in British Columbia which other hon. members have mentioned already, Safer. Not only is there a program in place, but the government had studies available to tell it how well the program was doing. It is a very good program. The minister could have studied that program. In fact the minister could have monitored that program over the last three years, and he could have brought in one by 1979. The program could have dealt with senior citizens as well as people below the poverty line. We have shown that subsidizing buildings for people below the poverty line is not the way to go. The way to go is with home shelter allowances. The speech of the minister in Toronto typified the manner in which municipal affairs, urban affairs and housing generally are treated by the government.

The government is interested in public relations. It has no policies. What does it say to tenants in the country? Nothing. The hon. member for Sault Ste. Marie (Mr. Symes) has mentioned that already. One can go through the bill. What does it say to tenants anywhere in the country? Absolutely nothing. There is no shelter allowance program. The minister had six years to bring in such a program. There is no shelter allowance program for tenants. There is no longer an assisted rental program. Most hon. members are not aware of the fact that there is no ARP any more. The vacancy rate in the city of Toronto is .9 per cent. In the rest of Ontario it is somewhere between 1.5 per cent and 2 per cent. Major cities are closer to the Toronto percentage of .9. I am not aware of the figures in other parts of the country. I can dwell only on Ontario figures. The only way to relieve the low vacancy rate, and therefore be able to contribute something toward reducing the price of

rental housing, is to produce more. Thus, tenants would have cheaper rents. There is no allowance. There is no ARP. There is nothing for tenants in this bill.

What does it say to home owners? It says nothing to tenants, and what it says to home owners is worse than nothing. The single most important thing which happened to home owners as a consequence of this bill is that the Assisted Home Ownership Program has been knocked out and the Graduated Mortgage Payment Program put in. AHOP out, GMP in. I think some hon. members have dealt already with the Graduated Mortgage Payment program. I should like to put one or two thoughts forward. One economist said the following:

> Administered by the CMHC, GMP's are designed to give a house buyer one of the major advantages already provided by AHOP: during the first five years of a graduated payment mortgage, monthly payments are much lower than a conventional mortgage would allow. From then on, payments are stepped up gradually until after the tenth year, when they reach a plateau.

Of course this allows the person to get in earlier with a low downpayment.

The economist continued with the part the government does not want to mention. He said the following:

> But the unpleasant, less obvious fact is that over the life of the debt, the GMP will cost the borrower $9,324 more than the standard mortgage would—$105,024, compared with $95,700.

He borrows $35,000 and he will pay back $105,024. Bad farming, bad farming.

Mr. Baker (Grenville-Carleton): That comment is for you, Eugene.

Mr. Crombie: In fact it is so bad that Peter Carter, the past chairman of the mortgage committee on Canadian banking calls it "permadebt". That is pretty chilly. It is like stagflation. Permadebt applies to the individual; stagflation apparently applies to society. It is no more or less than an economic bondage, that is what it means. It is economic bondage. Hon. members should think of themselves being involved in it. It is all right to talk about other people, but how would hon. members like to be in it? There was a time up until approximately seven or eight years ago when people regarded buying a home, particularly first time buyers, as a way of getting ahead in the country. With permadebt, the government's mortgage answer, it is becoming a way to get behind. That is what has been done to housing. It is not how people see it in terms of getting ahead, it is how one puts oneself behind. Not only that, but the banks will have difficulty because it does not make any economic sense. The government comes along and says what it is going to do is pay off all the debts after 90 days. Nobody likes to be in debt. Even the banks do not like to be in debt.

● (2140)

What this bill means to home owners is that they will be in bondage. Secondly, it perverts the principles of good banking in order to cover this government's act. Thirdly, and perhaps I should mention this as I have not heard anyone else refer to it, the graduated payment mortgage plan also has built into it, depending on taxes and fuel, a five per cent to seven per cent inflation factor. How is that for wrestling inflation to the ground? The government is building inflation into its own mortgage plan. This is what it does for home owners.

What does it do for the construction industry? There is no AHOP program left so the industry can not use it. There is no assisted home ownership plan left at all, and there is no assisted rental program, so you cannot take advantage of that. This means, of course, there will be no multi-dwelling projects constructed.

There is the suggestion that somehow the market is already supplying enough. As someone has pointed out, we have the wrong kind of housing in the wrong places and we do not have the right kind of houses in the right places. What this essentially means to the construction industry, and let that industry here this loud and clear, is that there will be no construction and no jobs. The unemployment level in the construction industry, certainly in Ontario, is at a record high since the depression. What this bill says to the construction industry is that there will be no development, no construction, and no jobs.

When listening to members speak, particularly those of the other two parties, I heard them repeatedly say they are universally against the mortgage interest and property tax deductibility policy. I took that phrase from the minister, but these people have spoken in condemnation of that program. Indeed, one day the minister had a little fun with me when he referred to my statement that it required some further thought. Indeed, I did say it required some further thought. It requires some further thought, in my view, in relation to the shelter allowance. It seemed to me, and still does, that a shelter allowance, particularly for senior citizens and those living below the poverty line, is a policy worthy of any government.

When one member after another stood and talked about the mortgage interest and property tax deductibility program as a bad thing, I concluded they had not read it and did not care to read it. At least this program offers something to the home owners and to the people who want to own homes and want their children to own homes. Indeed, knock on the doors of senior citizens and I suggest they will tell you they would like to see their grandchildren own homes. If you ask them, I expect the answer you would get is yes. At least this policy offers something to home owners and those who would like to be home owners. It will not put them into economic bondage. What it does is offer the hope of home ownership in this country. The program does offer something to those who pay too much of their income for housing. This bill does absolutely nothing in this regard, and the government has said nothing about this, with the exception of that fly-by-night speech of the minister last week.

What our program suggests is that it will be cheaper to own a home, that it will reduce the amount of income the people have to pay to own homes, and that this will make home ownership more affordable. There is absolutely nothing in this

bill in that regard. Not only does it offer nothing to home owners, it offers nothing to everyone who pays more of their income than they should for housing.

I would like my colleagues in the NDP to think of this. Our proposal will benefit the construction industry. After removing the anxiety in respect of the oversupply in the market in those areas where units have been built in the wrong places, our policy will stimulate construction, which in turn will create more jobs in that industry, and in other areas such as furniture manufacturing, appliance manufacturing, textiles, the needle trades and so on. These sectors need the jobs which will only follow stimulation in construction activity.

What does this bill do in respect of co-operatives and the non-profit organizations? I have been very impressed by the new love affair people are having in respect of service clubs, labour councils, cultural groups and religious institutions now engaged in non-profit housing. I have been involved for 12 or 13 years with non-profit housing and co-ops, indeed at a time when people did not talk about them in polite society. I do not think I have to offer my credentials, or point out the significance of non-profit corporations and co-ops in large cities and neighbourhoods.

The minister says this is the best part of the bill, and the non-profit organizations and co-ops want this legislation. They really do want it. Their tongues are hanging out for it because they have been held up in some cases for almost two years waiting for the minister to bring this into the house. That is why they want it.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but his time has expired. He may continue with the unanimous consent of the House. Does the hon. member have unanimous consent?

Some hon. Members: Agreed.

An hon. Member: I do not agree because it is rubbish anyway.

Mr. Deputy Speaker: There does not seem to be unanimous consent.

Mr. Donald J. Johnston (Westmount): Mr. Speaker, my intervention in this debate will be quite limited. I have been concerned, as have other members of my party and of the government, about the insistence by hon. members in the opposition, and I do not refer to the NDP, on the value of the mortgage interest and real estate deductibility program in having a stimulative effect on the housing industry, and in achieving the great American dream, as the hon. member for Ottawa-Carleton (Mrs. Pigott) is often wont to call it, of owning your own home. I do not suggest that because I think their hearts are not in the right place, but because I believe that, on serious examination of the type we have conducted on this side of the House, they will see the program is not one that will achieve those objectives.

It is reasonable to presume that we in Canada would not even be considering such a plan or program were it not to exist in the United States and not to have been popularized, if you like, by our American neighbour to the south. Because of that I welcomed the opportunity to visit Washington several weeks ago in a bipartisan parliamentary group consisting of, from our side of the House, the hon. member for Stormont-Dundas (Mr. Lumley); from the other side of the House the hon. member for Ottawa-Carleton, the hon. member for Vancouver Quadra (Mr. Clarke), and the hon. member for Broadview (Mr. Rae). We had the opportunity of examining in depth with a very wide cross-section of American officials who are responsible for the administration of this particular law and, of course, all other fiscal laws. For example there was the Commissioner of Internal Revenue, the policy division of the Department of the Treasury, the Congressional Budget Committee, the Joint Committee on Taxation, as well as independent economists from the Brookings Institution, the American Enterprise Institute, and various other experts in the field.

● (2150)

This was done in the spirit of objective examination to determine whether or not the deductibility of mortgage interest and real estate taxes is a valuable device in achieving the objectives that have been put forward by the opposition for examination, namely, home ownership, stimulation of the economy, and perhaps some fiscal relief to create more tax neutrality in the income tax system.

I think that I can say, without fear of contradiction, that the opinion of all informed observers in the United States is to the effect that mortgage interest deductibility and real estate tax deductibility does not accomplish any of those objectives and that those objectives can be better achieved by other techniques. Going further than that , I believe it is important for us in Canada to understand why interest in the United States is deductible in computing income and why real estate taxes are deductible. I would like very briefly to provide this House with some of the background of the American experience.

Beginning with the Internal Revenue Code of 1913 it was recognized that interest in general, not just interest on mortgages, all interest, should be deductible, as well as local taxes. Hence it was built into the very structure of the American income tax system from the outset. That, to begin with, is to be contrasted dramatically with the situation in Canada where local taxes are not deductible. So, it is apparent to even the most unsophisticated observer that rendering real estate taxes deductible, for example, would automatically at the local level create a shift of local taxation into real estate taxes.

It seems to me that nothing could be more obvious, and it was pointed out to us by our American observers that such would inevitably be the case.

But over the years, because of these deductions, our U.S. neighbours have designed standard deductions across the board applicable to U.S. taxpayers. I believe that at the

present time in 1978 or 1979—I may be speaking in 1978 figures, I am not certain—a single taxpayer in the United States is entitled to a basic $2,300 deduction, and a married couple is entitled to a $3,400 deduction. That deduction absorbs this wide variety of local taxes and interest which they would otherwise have to itemize and, hence, 75 per cent of U.S. taxpayers who file returns in the United States file them on the basis of unitemized returns taking that basic deduction. On the other hand, 25 per cent of the returns that are filed are filed on the so-called long itemized return.

We were advised by the internal revenue authorities that in such cases the returns are necessary because of these specific deductions, that the deductions for mortgage interest and real estate taxes push people into such high deductions that it is worth their while to claim these deductions on the long form. In fact were it not for these specific deductions the entire U.S. tax system could be considerably simplified. I might add that the cost to the U.S. treasury in 1978 for this specific deduction was estimated to be $12.8 billion.

Before dealing with some of the specific problems which are inherent in the scheme, I think it is very important to underline the fact that in the United States 63 per cent of housing is owner occupied and 37 per cent is rented. The figures, of course, vary from area to area. For example, in New York state the rental percentage is higher and the ownership percentage is lower. It struck all of us in the group, interestingly enough, that those figures corresponded indentically with the numbers that have been furnished to us by Statistics Canada 1976, namely, 63 per cent of the housing in this country is owner occupied and 37 per cent is rented. Again there are variations from region to region, and in my particular province the percentages are almost 50-50. As a matter of fact, I believe the figures are 49 and 51.

It is interesting to note that notwithstanding the existence of this so-called benefit of mortgage interest deductibility over all these years, owner occupied housing in this country has kept pace with that in the United States, and we were further advised, although I have not verified these numbers, but I intend to do so, that upon their analysis in the United States the lower income groups in Canada had a higher percentage of home ownership than in their country, and the reverse was true, of course, in higher income groups. All of this speaks well for the experience that Canadians have had in housing people in this country and in providing that great American dream which the hon. member for Ottawa-Carleton refers to, namely, home ownership.

I for one subscribe to the value of home ownership and I think that most of us do. It is not something which can be defined. Again, in the course of discussions with economists and others who had conducted an analysis in this area, it was felt that there was no demonstrable evidence that home ownership per se had inherent value. Nevertheless, my own feeling is that home ownership is a good thing. I think that a stake in our country and our communities, an asset of that kind, is bound to create and encourage stability and responsibility.

[Mr. Johnston (Westmount).]

Let us assume that members on all sides of this House are in agreement that home ownership is a desirable objective. As I have said, I certainly endorse that principle, as do, I am sure, all members of my party. But how can it best be achieved? That is the question to which we must address ourselves. I have noticed that in most of the comments made by the hon. member for Ottawa-Carleton in the press she has stated on many occasions, and I think sincerely and basically with the best of good will, that home ownership is desirable and that this plan is designed to achieve home ownership. Let us look at the plan for a moment and let us determine whether it really does accomplish its purpose.

Mr. Deputy Speaker: Order. Perhaps this is a good time to intervene, because I could only allow the hon. member a few seconds more. It being ten o'clock, we must proceed with the adjournment debate.

• (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

AIR TRANSPORT—REQUEST FOR REGULAR JET SERVICE INTO WESTERN MANITOBA

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, on Friday 16 I pursued yet another time the question of jet air service into western Manitoba and eastern Saskatchewan. I directed my question to the Prime Minister (Mr. Trudeau). He was kind enough to indicate that he realizes that improved air service is needed. This was on the basis of the warm reception he received when he was in Brandon for the opening of the Winter Games some two weeks ago. He said, finally, that he did not understand why the people of Brandon should want to leave such a fine centre quickly. Unfortunately, I was not able to ask a supplementary. Had I had that privilege I would have responded that it was not a case of leaving the city of Brandon or the area of western Manitoba, but rather, as the old adage says, all wise men come from the east, and the wiser they are the faster they come! It is because there is a great demand to get into this part of the country that we need the jet service for ingress and egress.

The problem simply is that we have in place at the moment—and I suppose it was put in place so that the government would be able to say there was air service available for the Winter Games—and, incidentally, as everyone knows, the community of Brandon, which is the smallest ever to have staged the games, did the best job that has ever been done in this respect—we have in place a commuter air service provided by Perimeter Aviation Ltd. This does not operate from the main air terminal in Winnipeg. Passengers are bussed to the back of the airport where they climb on board a small aircraft. It is almost necessary to get into the aircraft on hands

and knees. On the occasions that I have tried it, senior citizens have not been able to get in, and it would be absolutely impossible for handicapped people to use the aircraft.

This service will only be successful, as was demonstrated when we had a commuter service before, if it is linked into the direct air service in the excellent, brand new terminal facilities at the western Manitoba airport directly south of the city of Brandon. We cannot make it economically viable if we are merely a satellite of the international air terminal that services the city of Winnipeg.

The irony of the situation is that all major airlines fly over this lovely new terminal facility. Pacific Western, Air Canada and CPA have regular flights daily over the airport. If we had a sky hook that would hook on at 30,000 feet, we could use the facilities.

I have examined the timetables of these airlines, Mr. Speaker. Air Canada flies out of Ottawa, Toronto, London and into Winnipeg, directly over the city of Brandon. I have taken the flight on many occasions to see how great is the passenger load. Passengers are not available for that flight in any greater numbers than would be provided by the 200,000 citizens who live in the western Manitoba area.

I flew Pacific Western out of Yellowknife recently. It picked up passengers at Yellowknife in a 737, to go to High River, Pine Point and on to Edmonton. Those communities are much smaller than the 200,000 population that is available for jet service in the western Manitoba and eastern Saskatchewan area.

I am interested in the CPA schedule. It at least recognizes that there is a city of Brandon because it links it with Winnipeg. Neither PWA nor Air Canada acknowledges that there is even such a community as Brandon. During the Winter Games it was necessary to bring in some 3,000 amateur athletes from all parts of Canada by charter aircraft. It was amazing to see the efficiency with which those airlines of all types flew into Brandon and were handled by the fully equipped airport. The manpower is there and the terminals facilities are there. All we need is the aircraft.

● (2205)

It was certainly demonstrated during the Winter Games that this airport is fully equipped to provide the best level of service that is available. It should also handle charter flights. The Sunflight business in the winter is a tremendously profitable activity. This service could easily be handled with our large parking area.

The international terminal at Winnipeg requires expansion. No longer can the parking facilities there meet the demand of the large number of passengers using that airport. The Government of Canada has invested in the terminal. It is there. All we ask is a service similar to that offered to the community of Dryden. I have looked at the new Nordair schedule of service. They fly in and out of Dryden at least twice a day, even though it is a much smaller community and has a much smaller population than the 200,000 in the western Manitoba area.

I discussed this matter with the hon. member for Kenora-Rainy River, now the Minister of State for Federal-Provincial Relations (Mr. Reid), who represents a community in a position similar to the western Manitoba area. He is sympathetic.

Now that it has been demonstrated that there is a real need and that the facilities are available, I hope that at long last the government will discharge the promise it made during the 1974 election and that western Manitoba and eastern Saskatchewan, including Yorkton which has no air service, will be provided with service on the scale promised in 1974.

[*Translation*]

Mr. Raymond Dupont (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, my colleague, the hon. member for Brandon-Souris (Mr. Dinsdale), suggests that during the electoral campaign of 1974, the Prime Minister (Mr. Trudeau) promised a regular jet service to western Manitoba. I think he is referring to the speech the Prime Minister made in Winnipeg on May 23, 1974. I would like to quote part of that speech to show that the government has kept its electoral promises. The Prime Minister said:

> Now, I would like to talk about another sector of the air service, about the air policy, about industrial development and job creation. Indeed, I would like to announce that the government has approved in principle the establishment of an air service between Winnipeg, Brandon, Dauphin, Yorkton and Saskatoon in order to try out new policies for third level air services. Air services will be established between these centres of Western Canada.

The Prime Minister certainly did not suggest a jet service, but rather a local carrier or third level carrier type of service which never uses jet aircraft. Although nobody on the electoral campaign trail promised a jet service for Brandon, my hon. colleague knows full well that the Minister of Transport (Mr. Lang) has done his utmost to try and get such a service for that community. In 1977 the minister announced that the government was prepared to grant financial assistance up to $1.1 million for the operation of a jet service between Brandon, Toronto and Regina. He asked interested carriers to file an application with the Canadian Transport Commission. Unfortunately, his offer did not meet with the expected response.

Despite the position taken by carriers on this matter in 1977, once again late last fall the minister tried to obtain a jet service for Brandon. As the minister himself explained, he has had repeated disucssions with airline representatives to encourage them to file an application for an east-west jet service. He also stated that he was ready to give all necessary assistance to ensure that such application would be granted. Yet no carrier took heed. At present, Brandon has an excellent air service, operated twice a day by Perimeter Airlines, which receives financial assistance from the government.

● (2210)

[*English*]

NATIONAL DEFENCE—SUGGESTION OVERSEAS ARMED FORCES PERSONNEL RECEIVE FREE MAILING PRIVILEGES

Mr. Peter Elzinga (Pembina): Mr. Speaker, on Wednesday, February 21, I put a question to the Minister of National

Defence (Mr. Danson) having to do with the free mailing privilege which some of our armed forces personnel engaged in United Nations peacekeeping operations receive. I was making inquiries into the possibility of this privilege being extended to all Canadian servicemen overseas.

The minister told the House he was not aware that any of our armed forces personnel were receiving those privileges. I did not have an opportunity to get back to him with a supplementary question assuring him that my information was correct, but the minister rose on a point of order on February 23 to clarify the matter, stating that though, as he had indicated, the Canadian government and the Department of National Defence do not accord free mail privileges to service personnel, the United Nations Emergency Force in the Middle East does benefit from free mailing privileges provided by the United Nations.

Recently, I was in the Middle East along with five other members of this chamber. We had the privilege of touring the various posts at which Canadian forces are stationed and we found this question of mail facilities was a bone of contention among those to whom free mailing privileges had not been extended. I raised this matter so that the Postmaster General (Mr. Lamontagne) could give consideration to extending free mailing privileges to all members of our armed forces who do such a commendable job as a peacekeeping force. When these men are absent abroad for tours of six months, communication with their homes is essential if they are to keep in touch with their families. In view of the fact that the dollar has fallen considerably in value, and since responsibility for this decline must fall squarely on the shoulders of members opposite, it seems fair something should be done to minimize its effect upon them. Our armed forces are doing a superb job in the Middle East and I would ask ministers seriously to consider offering free mailing privileges to our armed forces personnel posted overseas.

[*Translation*]

Mr. Raymond Dupont (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, I must point out that the men and women of the Canadian armed forces now offer their expertise and leadership abroad. In this unique field of international responsibility, and this is a well known fact, Canada continues to receive praise and encouragement, and I have come to understand why through my work as Parliamentary Secretary to the Minister of National Defence (Mr. Danson). This is reflected in the pride of each member of the Canadian armed forces.

Those among us who have had the opportunity to see them in action can understand the pride felt by Canadians when they travel in Europe and can note for themselves the excellent reputation that Canada has gained through the peacetime efforts of our armed forces. This is something we cannot and would not want to forget. Mr. Speaker, I would also like to make a comment concerning the thousands of men and women in the Canadian armed forces, many of them with their families, who serve Canada abroad. Many of these Canadians are members of our NATO forces and they are treated in the same way as any other Canadian citizen abroad.

We are aware of the fact that inflation affects Canadians serving in Europe and that our service people are no exception to this rule. I must however note with great satisfaction that our military personnel is very well paid, at a level equivalent to the employees of the public service of Canada.

Mr. Speaker, I want to reassure the hon. member that the interest he has shown as well as other very important things—that we consider continuing in our efforts to ensure that our servicemen in this country will keep on getting the benefits they deserve in addition to what they earn. My colleague mentioned in this House on February 23 last, when he raised a question of privilege that UN Forces in the Middle East get free mailing privileges for their members for up to five letters a week not exceeding one ounce per letter, under a special arrangement. Such letters are mailed free under arrangements entered upon by the UN Emergency Forces and postage is paid by them.

Mr. Speaker, I want to say to my colleague that according to the minister each force had its own procedural rules. However, he will follow up on this thing and find out whether other UN forces could be allowed the same privileges. I can assure the hon. member that this is going through the appropriate channels to see what might be done to arrange that. As the hon. member probably knows, our Canadian servicemen have served with distinction and pride as UN members engaged in peace-keeping operations ever since our former Prime Minister, the Right Hon. Lester B. Pearson, showed leadership in creating the United Nations Peace Force. For this excellent work which everyone can look upon with pride, the Nobel peace prize—

Mr. Deputy Speaker: I regret to have to interrupt the hon. member. The time allotted to him has now expired.

• (2215)

[*English*]

EXTERNAL AFFAIRS—GOVERNMENT'S INSTRUCTIONS TO CANADIAN DELEGATION AT BELGRADE CONFERENCE

Mr. Yuri Shymko (Parkdale): Mr. Speaker, yesterday I asked the Secretary of State for External Affairs (Mr. Jamieson) to answer a very simple question. I wanted the minister to tell parliament and the people of Canada if it was true that our Canadian delegation in Belgrade, reviewing the Helsinki Accords, was instructed not to protest the violations of the accords by specifically naming the violating states and the victims of their violations. The minister could easily have answered yes or no. He could easily have explained. The minister has acquired a reputation for his agility and ability as an excellent speaker in the House. He is quite capable of manoeuvring his way out of the toughest questions. Yet there was no answer. There was only silence, the silence of excuses,

of insecurity and doubt, the same silence that dominated the negotiations at Belgrade. It was the silence of hesitancy and fear to stand up boldly and speak out. It was the eternal silence of cocktail diplomacy, fearing to stand firm on one's principles and convictions with the courage to speak the truth from the heart and from the soul because it may insult the violator. Violators are not insulted, and we must confront them with truth, for it is they who insult the humanity and the honesty of men of good will who trusted and believed that agreements would be respected.

So, equally, our silence is an insult to Canada, whose people do not want to be partners in lies and deceit. Canada has contributed in a major way to the struggle for human rights. It was this country which provided leadership in formulating and including the humanitarian clauses of the Helsinki Conference on Security and Co-operation in Europe in 1975.

Our country, and its government, more than any other of the western democratic states which signed the accords, have moral responsibility for the fate of those human beings who genuinely and honestly believed, as we did, that what was signed in Helsinki was to be implemented and respected. Yet for those human beings incarcerated today in Poland, Czechoslovakia, the U.S.S.R. and other countries, Helsinki became a trap in which they were caught because they had faith and confidence that the world would lend them some legal protection when they, as members of public organizations, sought to do what the accords themselves demanded of them and promised they could do.

● (2220)

What irony, Mr. Speaker, that in the course of the deliberations of this parliament of free men, a parliamentarian such as I can only find seven minutes to decry the plight of human beings serving a total of approximately 150 years of incarceration, human beings who have risked their lives to entrench fundamental human rights and civil liberties for their peoples, the principles of brotherhood, of justice and of peace, in their countries, and who are now serving prison terms of up to 15 years! I refer to all the arrested members of the Helsinki Public Monitoring Groups in Russia, Ukraine, Lithuania, Armenia, Georgia, Poland, Czechoslovakia and other countries: To name only a few, they are: Victoras Petkus, Gajauskas Palys, Mykola Rudenko, Oleksa Tykhyj, Myroslav Marynovych, Mykola Matusevych, Levko Lukianenko, Petro Vins, Yuri Orlov, Anatoly Shcharansky, Alexander Ginsburg, Zviad Gomsakhurdia, Merad Kostava, among many others.

Among the proposals jointly submitted by our Canadian delegation and 14 other states in Belgrade, the participating states recognized the right of individuals and organizations to point out to their governments instances of non-implementation of the accords. If this was indeed our proposal, then it is our duty to ensure that, prior to the Madrid conference, such individuals as I have mentioned are granted legal protection to monitor the implementation of the Helsinki accords, in freedom, without persecution, and that those who have been arrested be released. If that is not done, the final act itself will be a mere circus, and all credibility in detente will be destroyed, not only among the participatory states but, above all, among the citizens of every country, among them the citizens of Canada.

Canada's position prior to and at the Madrid conference must change drastically so as to expose, protest, and condemn openly and without shame and hesitation, to stand firmly on our principles in our protest against those regimes for whom diplomacy, unfortunately, is but a game of lies and deceit in pursuit of their political and international interests.

I should like to point out that very often this demands a sacrifice on the part of Canadian citizens, the sacrifice perhaps of our economic expediency. When I see that the Canadian Export Development Corporation has extended to the Soviet Union over $500 million in credit, or that $9.3 million worth of Canadian oil equipment is being sold to the Soviet Union, I conclude that there might be some economic expediency in our silence. I must remind the House that President Carter placed an embargo on the sale of computers. He demanded that the sale of oil equipment should be granted a presidential veto when Shcharansky was arrested. He took a drastic and open stand with regard to the arrests of these individuals who were incarcerated and caged because they believe in Helsinki. We have a moral responsibility toward them. It will demand a sacrifice, and there is no question that serious decisions will have to be made, but if political and economic expediency becomes the base and foundation in our diplomatic relations with human beings and countries, we will be moving in the direction of the Orwellian world of 1984 where human beings became mere robots, mere machines dependent on the fickle will of the state. Such is the trend in many regimes.

I appeal to this parliament of free men to emphasize before the government and before our citizens that a drastic change must be made. There is no question that the Madrid conference will be held at the same time as the Moscow Olympics. The Soviet government is faced with the decision either to arrest these people en masse or to free them en masse. Our stand can save them, and can release the incarcerated.

[*Translation*]

Mr. Louis Duclos (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I would like to throw some light on the instructions given to the Canadian delegation which will represent Canada at an international conference on the Helsinki Accords to be held in Madrid. I would, by the same token, reply to a question raised in the House yesterday by the hon. member for Parkdale (Mr. Shymko).

The Canadian delegation to the Belgrade conference had received instructions reflecting the particular importance the Canadian government and the Canadian people attach to the provisions of the Final Act of the Helsinki Accords concerning human rights and other humane matters. We did not give specific instructions urging our delegation to avoid mentioning the names of victims and violators in cases such as those

involving members of the Helsinki Accords monitoring groups in the Soviet Union. We did ask the delegation, however, to frame its interventions in objective and impartial terms and to endeavour to maintain a climate in which a dialogue would remain possible without controversy or confrontation.

Past experience has taught us that discreet representations usually give better results than forceful statements. Of course, we are tempted to make party politics with those matters, Mr. Speaker, but any person who is aware of his responsibilities and who has a minimum of experience in international matters and diplomacy knows full well that vociferous statements are not very fruitful as a rule. Mr. Speaker, I am convinced that the hon. member will agree that both the victims and those who made such violations could not ignore the position of Canada on those matters.

Besides, if the hon. member read the statements of the Canadian delegation, and in particular that of October 31, 1977, as reproduced in the brochure *Canada At Belgrade* which was published after the conference, he will realize—I am pleased to see that he has already read it—that Canada has never concealed its positions. With regard to individual cases implicating the Soviet Union, special instructions were given to our delegation: it was asked to underline to the Soviet delegation the concern of both our government and the Canadian people, and to present our proposals for solving those unfortunate cases.

Mr. Deputy Speaker: Order. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until 11 a.m. tomorrow.

Motion agreed to and the House adjourned at 10.28 p.m.

HOUSE OF COMMONS

Friday, March 2, 1979

The House met at 11 a.m.

● (1105)

ROUTINE PROCEEDINGS

[*English*]

HEALTH AND WELFARE

CHILD TAX CREDIT—REQUEST FOR WITHDRAWAL OF TELEVISION COMMERCIAL—MOTION UNDER S.O. 43

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I rise, under the provisions of Standing Order 43, to move a motion of urgent and pressing necessity.

In light of the continued support by the Minister of National Health and Welfare (Miss Bégin) for a child tax credit commercial on television which in my view is totally election-oriented and an affront to the intelligence of Canadian mothers—and all Canadians, for that matter—I move, seconded by the hon. member for Wetaskiwin (Mr. Schellenberger):

That the minister immediately discontinue this obscene abuse of taxpayers' money for partisan purposes.

Mr. Speaker: Such a motion could be introduced at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FISHERIES

REQUEST THAT PERMANENT OBSERVERS BE REMOVED FROM CANADIAN SHIPS—MOTION UNDER S.O. 43

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I rise to move a motion under the provisions of Standing Order 43.

In view of the fact that observers placed on board Canadian ships fishing in zones 4VN and 3PN have authority which supersedes that of the captain, thereby causing fish which are unfit for processing to be landed, and that said observers are not provided with a food allowance by the government, thereby placing an additional financial burden on the crew who must pay the food account, I move, seconded by the hon. member for Annapolis Valley (Mr. Nowlan):

That licences to fish in these areas be given to the captain of the ship and that permanent observers be removed from Canadian ships, since the tonnage caught and the species can be inspected by shore-based fisheries officials when the ship docks.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

OLD AGE SECURITY ACT

INTRODUCTION OF AMENDMENT TO PROVIDE EQUITY FOR PERSONS AGED 60 TO 65—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, under the provisions of Standing Order 43, and seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), I move:

That this House urges the government to introduce, without delay, an amendment to the Old Age Security Act to end the discrimination therein against persons between the ages of 60 and 65 who are of single status by providing for the equivalent of the spouse's allowance to be available to all persons between the ages of 60 and 65, regardless of marital status, provided they are out of the labour market.

Mr. Speaker: This motion can be presented for debate at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PUBLIC SERVICE

PLAN TO INTEGRATE FEDERAL EMPLOYEES INTO QUEBEC CIVIL SERVICE—MOTION UNDER S.O. 43

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, pursuant to the provisions of Standing Order 43, I rise on a matter of urgent and pressing necessity.

Given the fact that it is reported that the Quebec minister of public works is working on a plan to integrate 53,000 federal public servants into the civil service of Quebec, and is at the same time preparing an inventory of federal buildings to prepare for negotiations for transfer of this property to a sovereign state, I move, seconded by the hon. member for Hamilton West (Mr. Alexander):

S.O. 43

● (1110)

That the President of the Treasury Board and the Minister of Public Works explain on motions whether these matters under their respective jurisdictions fall within four-fifths which can be implemented into the federal system or the one-fifth which can be negotiated, which formula was adopted by the Minister of Justice on behalf of the government.

Mr. Speaker: The introduction of such a motion for debate would require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

LABOUR DISPUTES

REQUEST FOR SETTLEMENT FORMULA—MOTION UNDER S.O. 43

Mr. René Matte (Champlain): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to introduce a motion dealing with an urgent question of pressing necessity.

Considering that it is important to settle conflicts between the government and its employees, that it seems unacceptable to resort to walkouts to speed up negotiations and that most people will no longer tolerate those continuous labour unrests which disturb everybody and from which no advantage is gained, I move, seconded by the hon. member for Abitibi (Mr. Laprise):

That the House direct the government to introduce as soon as possible a general formula for the settlement of conflicts between employers and employees which would eliminate walkouts or strikes.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

EXTERNAL AFFAIRS

PRIME MINISTER'S FORTHCOMING VISIT TO WASHINGTON—MOTION UNDER S.O. 43

Mr. Bob Brisco (Kootenay West): Mr. Speaker, I move, seconded by the hon. member for Edmonton Centre (Mr. Paproski), under the provisions of Standing Order 43:

That this House, in view of the Prime Minister's impending trip to Washington to visit President Carter, register its support for the reported initiative to be taken by the Prime Minister in going to the United States to make a deal on a one-for-one basis to trade Jim Coutts for Billy Carter.

[Mr. Darling.]

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member for Hamilton-Wentworth (Mr. Scott).

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SPORTS

STATUS OF HAMILTON, ONT., AS HOST CITY FOR PAN AMERICAN GAMES—MOTION UNDER S.O. 43

Mr. Geoff Scott (Hamilton-Wentworth): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity involving the Pan American Games of 1981.

In view of reports that Venezuela could withdraw as host country as early as March 12, 1979, I move, seconded by the hon. member for Halton-Wentworth (Mr. Kempling):

That this House requests the Minister of State (Fitness and Amateur Sport) to make a statement at the earliest opportunity on the Pan American Games situation and include in that statement the status of the city of Hamilton as runner-up applicant to Caracas as the site of the Games.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Alexander: The minister said yes.

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TRADE

GATT NEGOTIATIONS WITH UNITED STATES—EFFECT ON NEW BRUNSWICK—MOTION UNDER S.O. 43

Mr. Bob Corbett (Fundy-Royal): As it is generally accepted that the huge natural market for New Brunswick and the New England states is impeded by tariffs and trade barriers, and that a softening of these regulations would greatly assist New Brunswick's efforts to attract new industry and manufacturing facilities, I move, seconded by the hon. member for York-Sunbury (Mr. Howie):

That this House instruct the government to get on with the negotiations with the United States on the General Agreement on Tariffs and Trade so as to alleviate this obvious deterrent to New Brunswick's development.

Mr. Speaker: Such a motion can be introduced for discussion at this time only with unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

AIR TRANSPORT

PUBLIC HEARINGS BEFORE CTC ON APPLICATIONS FOR RATE INCREASES—MOTION UNDER S.O. 43

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I rise on a matter of urgent and pressing necessity. I wish to move, under the provisions of Standing Order 43, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the Canadian Transport Commission be required to hold public hearings whenever airlines seek to raise their rates, and to hear presentations from public interest groups which wish to oppose the increase in rates, without these organizations having first to establish a prima facie case against an increase before they can obtain a hearing into the increase; and, further, that the CTC require the airlines to disclose the financial data on which their application for fare increases is based, as is now required by the CRTC from Bell Canada when it asks for increases in telephone rates.

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

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

NORTHERN PIPELINES

PRIME MINISTER'S MEETING WITH PRESIDENT CARTER—DISCUSSION OF ALASKA HIGHWAY PIPELINE

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is for the Prime Minister. There is real apprehension in this country that, after great expectations for Canada's economy as a whole, the Alaskan pipeline project is a dead duck and that we have all been led up the garden path, perhaps by the Americans or perhaps by our own government which should have known better.

● (1115)

The Prime Minister is going to Washington to have discussions with President Carter. On the assumption that this is not merely a public relations exercise, may I ask the Prime Minister if the pipeline project is on the agenda and, if so, what presentation will the Prime Minister make to the President about it?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, I expect to discuss the whole question of energy with the President of the United States. Naturally, I will express the concern of the Canadian government, having acted diligently, as it has with the support of parliament, in getting the pipeline legislation through, that now the United States does not seem to be very certain of its course.

That is the line I will take with the President, and I will attempt to ascertain from him and Mr. Schlesinger, whom I also hope to meet, what intentions and what strong volitions they have of proceeding with the pipeline project.

Some hon. Members: Hear, hear!

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TRADE

PRIME MINISTER'S MEETING WITH PRESIDENT CARTER—DISCUSSION OF COUNTERVAILING DUTIES

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my supplementary question also relates to the discussions of the Prime Minister with the President.

The United States countervailing duties are negating any Canadian effort to build up our own businesses and industries in Canada's depressed areas. Is this on the agenda for discussion as well? If so, what will be the thrust of the arguments of the Prime Minister?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this matter is being discussed at the GATT negotiations. It is part of the multilateral trade negotiations. The Canadian government and other governments in the world have expressed their concerns generally about the United States' policies. I do not know if we will have time, or if it will be opportune, to discuss this subject with President Carter.

PRIME MINISTER'S MEETING WITH PRESIDENT CARTER—DISCUSSION OF GATT NEGOTIATIONS

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is directed to the right hon. Prime Minister: it deals with his visit to the President of the United States.

As we know, a broad agreement was reached approximately one week ago between Jake Warren and the American negotiator respecting certain bilateral aspects of the GATT negotiations. Does the Prime Minister intend to raise the substance of that agreement with President Carter?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there has been no expression on the part of the Americans or myself that we would pursue the GATT negotiations bilaterally. It is being dealt with on our side by government ministers, notably the Deputy Prime Minister. We have Mr. Jake Warren who has been meeting regularly with the Americans and his counterparts in other countries. Mr. Strauss will not be part of my meeting with President Carter.

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TOURISM

PRIME MINISTER'S MEETING WITH PRESIDENT CARTER—DISCUSSION OF CONVENTION EXPENSES AND AIRLINES

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, again my question is directed to the Prime Minister. As there has been a great setback to our tourist industry since the Ameri-

cans chose to make certain convention expenses non-deductible, would the Prime Minister indicate if he intends to raise this problem with the President? If so, what will his position be?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have reported already to the House that I raised this matter with the President at my last meeting, and what his response was. I must inform the House that my meeting with President Carter will be a couple of hours' duration at most and, personally, I intend to spend most of it talking about energy and international affairs related to energy.

Some hon. Members: Hear, hear!

Mr. Stevens: Mr. Speaker, it was reported in Washington today that one of the questions which might come up, in addition to the energy question, is the fact that the American de-regulation of its airlines' industry has had certain consequences for our airlines. Would the Prime Minister indicate if he intends to raise that question with the President?

Mr. Trudeau: No, Mr. Speaker.

* * *

BUSINESS TAKEOVERS

PROPOSED ACQUISITION OF HUDSON'S BAY BY THOMSON INTERESTS—GOVERNMENT POSITION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is directed to the right hon. Prime Minister also. It arises from the announcement today indicating that the Thomson interests are seeking to secure control of the Hudson's Bay Company, which only recently acquired control of Simpsons and Zeller's.

● (1120)

In view of the fact that last January the assistant deputy minister of consumer and corporate affairs, who is also in charge of the combines investigation and research branch of that department, said that the takeover by the Hudson's Bay Company of Simpsons was against the public interest because it would mean department stores sales would be 35 per cent under the control of this company—and if we include Simpsons-Sears, it would be 60 per cent—will the Prime Minister indicate when we can expect the competition legislation which the government has repeatedly told us it intends to introduce?

I refer particularly to last Tuesday, when the Minister of Consumer and Corporate Affairs said that instead of a fair prices commission, the federal government's preference was proper competition legislation. Can we expect that legislation during this session and, if not, what action does the government propose to take in light of this announcement by the Thomson interests?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as the hon. member knows, there is in fact combines legislation existing now and there is, as he mentioned, a director of investigations and research under that act, a combines commissioner.

I again talked with the Minister of Consumer and Corporate Affairs this morning, and because of the very magnitude of that proposed takeover, the facts are being looked at by the director of investigations.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, last January, in a speech which the director of investigations made to the Canadian Club in Montreal, he said that the present combines legislation was not adequate to cope with the takeover of Simpsons by Hudson's Bay.

In view of this very much larger takeover, I would ask the Prime Minister whether he would be prepared to follow the example of Premier Bennett of British Columbia, who persuaded the Canadian Pacific Railways to put off its acquisition of MacMillan Bloedel until such time as effective legislation could be put in place by parliament.

Mr. Trudeau: Mr. Speaker, I am not sure I follow the hon. member in his suggestion that Premier Bennett was justified in suggesting that one Canadian company would not be able to take over another Canadian company. This is not our view of the Canadian economic union, where some people are disqualified in Canada because they are from another province. I am surprised that the hon. member is supporting the attitude of the provincial premier.

Some hon. Members: Hear, hear!

Mr. Trudeau: However, I leave him with his own views of Canada.

In so far as the legislation is concerned, we know it can be improved and, indeed, that is why the government now has a bill to deal with and improve the anti-combines legislation which presently exists. I do not know in what particular context this statement was made by, I believe, the director of investigations, but if he was saying that the present legislation could be improved, indeed this is the position of the government and that is why we proposed to go ahead with the new bill.

As to whether it would be passed by this parliament, I think the hon. member is asking only a rhetorical question, because he knows that would depend on the willingness of the opposition to co-operate in respect of various bills before the House. Some have high priority and are before the House now. If they can be passed, and if parliament will sit a few more months, then indeed we will pass that bill.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, in view of the fact that the acquisition by the Thomson interests of the Hudson's Bay Company, which takes in Simpsons and Zeller's, plus the control of a large area of the Canadian economy covering mining, oil, gas, real estate, newspapers, radio and 35 per cent to 60 per cent of the control of retail sales by departmental stores, does the Prime Minister not consider that this constitutes a national oligarchy through

which a handful of individuals will be able to control the economic life of millions of Canadians?

Does he not think that is serious enough to warrant the government bringing down that legislation now and asking parliament to give it quick passage?

Mr. Trudeau: Mr. Speaker, I obviously cannot understand sophistry, even though it is covered in some words of feigned indignation. There is legislation now which can be used.

● (1125)

The director of investigations is investigating the facts. The facts give us as much concern as they give the hon. member. The difference is that the government has its officials acting, rather than making speeches as the hon. member has done.

* * *

[*Translation*]

PUBLIC SERVICE

LAY-OFFS—INQUIRY AS TO CRITERIA

Mr. Gérard Laprise (Abitibi): Mr. Speaker, my question is directed to the President of the Treasury Board. Last October, for reasons which have not been made clear, he decided to lay off 381 civil servants including 279 who were French language teachers employed by the Public Service Commission. Can the minister tell the House what criteria his department used to select the teachers who are now considered as surplus at the general language training branch?

[*English*]

Hon. Judd Buchanan (President of the Treasury Board): Mr. Speaker, I will be happy to provide the precise information for the hon. member, but fundamentally the situation is, as the hon. member is aware, that over the past decade during this transitional phase we have made significant headway as far as establishing French as a second working language in the public service of Canada is concerned and that henceforth there will be a diminution in the amount we will be earmarking for this program.

This is because there has been a transfer of the responsibility for this policy out of the Treasury Board into the departments. The object is to orient the policy more toward departmental needs and their specific technical requirements, rather than having the broad policy throughout the government of general second language training.

[*Translation*]

Mr. Laprise: A supplementary question, Mr. Speaker. Following the lay-off, the department organized a career program to assign these teachers other duties within the public service or to find them jobs in the private sector. Could the President of the Treasury Board indicate now why that program has been frozen until April 1 when it will no longer apply to the language teachers of the public service?

[*English*]

Mr. Buchanan: Mr. Speaker, that is not my understanding, but I will verify it with the Public Service Commission which is actually carrying out this program.

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FISHERIES

PRIME MINISTER'S MEETING WITH PRESIDENT CARTER—DISCUSSION OF FISHING BOUNDARIES

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the right hon. Prime Minister. On February 14, the Secretary of State for External Affairs announced outside this House that agreement had been reached on Atlantic coast fisheries and boundary disputes, and that two treaties—one on the third party settlement of the boundary and the other on fisheries arrangements—will be completed and ready for signature by the beginning of March.

I therefore ask the Prime Minister if during his meeting with President Carter these two treaties will be on the agenda for discussion, and will they be signed?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, again this is a subject that President Carter and I discussed very explicitly at our last meeting and we instructed our negotiators to make progress or to report to us if progress was not being made, because we would want to intervene personally. As the Secretary of State for External Affairs has reported to this House, very significant progress has been made, notably on the east coast.

There is no proposal that President Carter and I sign any agreement in Washington, but the announcement made by the Secretary of State for External Affairs still holds and we are confident that the agreements will be signed.

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EXTERNAL AFFAIRS

NEGOTIATIONS WITH UNITED STATES ON TERRITORIAL BOUNDARIES

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a supplementary question for the Prime Minister. On February 13, in answer to a question put to the Secretary of State for External Affairs concerning a possible claim by the United States to Canadian territorial waters, he undertook to provide me with information in this regard, which he has done in a letter addressed to me dated February 22. It confirms my worst fears by informing me that the United States has formally claimed continental shelf and fisheries jurisdiction in the Beaufort Sea up to an equidistant line which lies east of the 141st meridian, an area of approximately 6,000 square nautical miles.

● (1130)

In his visit to Washington, can the Prime Minister assure the House that he will take a firm stand on informing the

President that under no circumstances will Canadian sovereignty be relinquished to any Canadian territorial waters, and that it will not be part of any treaty on fisheries that is signed?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, of course Canada will not relinquish sovereignty over any of its waters. I can say that to the House and I can say that to the President.

The whole question is, where does Canada's sovereignty lie and where does the boundary lie? As the hon. member knows, or should know, this is the whole subject of negotiation. We have made claim over waters that the United States say is an infringement of their sovereignty. The President can tell me the same thing: you must not take our sovereign waters.

The whole matter is one of discussing and deciding where the line lies. That is the object of the negotiations and that will perhaps be the eventual object of arbitration.

Mr. Nielsen: A supplementary question, Mr. Speaker. Since Canada has always operated under the sector theory, the 141st meridian, therefore, would be the established boundary of Canada's territorial waters.

Can the Prime Minister assure us that the Canadian government is taking that stance; that it is insisting upon the application of the sector theory, and that the 141st meridian is the established rigid boundary of Canada's territorial waters in that area of the country?

Mr. Trudeau: Mr. Speaker, the sector theory is the one which gives us the broadest scope of sovereignty. It is, of course, the one we are pushing for and prefer, but it is not the one which is accepted in international law or by the United States.

It would be very nice to go up to the North Pole and say that part of the North Pole is ours, but it would be another thing to get the rest of the world to admit that claim. The hon. member knows the difficulties when there are competing claims by different countries. You have to resolve those claims by negotiation, as we have been successful in doing on the east coast and as we hope to be successful in doing elsewhere. Failing that, we will use the other means at our disposal under international law.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I have a supplementary question along the same lines. I hope the Prime Minister will add to his agenda the insistence, and not be intimidated by the 54-40 or "fight" notion which has been used in United States politics, on the importance of the A-B line when he is talking to the president.

Mr. Paproski: He does not know what the A-B line is.

Mr. Trudeau: Mr. Speaker, I know that the colleagues of the hon. member do not understand what the A-B line is. I just heard Mr. Paproski say that.

Mr. Paproski: Order. I said you did not know.

Some hon. Members: Oh, oh!

[Mr. Nielsen.]

Mr. Hnatyshyn: You probably do not know that A and B are the first two letters of the alphabet.

Mr. Trudeau: The alpha-beta line is the one which is under negotiation. Canada would like to have the present line respected, but it is being disputed by the United States. This is also one of the things they are putting forth for negotiation, just as we are putting forth for negotiation areas of water they claim as theirs and that we are claiming for ourselves.

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NATIONAL UNITY

DISPOSITION OF LEGISLATION ON REFERENDA

Mr. Jim Fleming (York West): Mr. Speaker, my question is for the Prime Minister. Bill C-9, the referendum bill, has been before committee for more than a month and many, many meetings have been held.

It is becoming apparent, to me at least, that the official opposition seems to be filibustering. Will the Prime Minister say if Bill C-9 remains a priority of his and the government's, and will he delay calling a general election until this House had dealt with the referendum bill?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I can answer the first part of the question very readily. The government does attach very great importance to that piece of legislation. We have explained repeatedly that we feel it is an important piece of our arsenal if we are to be able to combat separatism in the United—

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

An hon. Member: Way to go.

Mr. Hnatyshyn: You and Billy Carter.

Mr. Hees: You are better than Jimmy.

An hon. Member: You are better than Billy.

Mr. Trudeau: Judging by the opposition questions this morning, they want me to talk with President Carter on just about everything. Maybe they want me to talk to him about the referendum legislation. I think he would certainly understand more than the opposition seem to, the importance to Canada of this particular piece of legislation. I want to assure the people of Canada and the opposition that it is of the utmost importance.

REGIONAL ECONOMIC EXPANSION

FINANCIAL ASSISTANCE TO SYDNEY STEEL PLANT

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, the temptation is to put another question to the Prime Minister and ask if the Minister of Transport has changed his mind regarding a deep sea fleet, but I would rather put a question to the Minister of Regional Economic Expansion.

Yesterday, the minister replied to some questions about Sydney Steel and indicated that the matter of assistance for the plant is under active consideration by the cabinet. Without asking the minister to divulge what form this assistance might take, could he indicate if the government is viewing assistance to Sydney Steel in a positive vein?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, it may be a few days too early for me to respond in a complete way to that question, because I would be preventing a decision being reached by cabinet based on what they are assessing. I would ask the hon. gentleman to be patient for a few more days. We will come to a decision on that matter next week, I hope.

Mr. Forrestall: A supplementary question. I wonder if I might ask the minister whether in this process, without inviting Premier Buchanan into the inner circles, the province of Nova Scotia is being kept fully advised of the decision-making process within cabinet.

Mr. Lessard: Mr. Speaker, Premier Buchanan has been kept aware of the progress achieved recently, but I cannot tell the hon. gentleman about all the small details that I have put in front of my colleagues.

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[*Translation*]

ENERGY

PROBLEMS OF INDEPENDENT FUEL OIL DISTRIBUTORS—MINISTER'S POSITION

Mr. Roch La Salle (Joliette): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources and Minister of State for Science and Technology. At the end of January, I believe, the minister had already received the representations of the Quebec division of the association of independent distributors of fuel oil expressing their considerable concern about the price increases and the difficulties in having their contracts honoured, as well as the possibility of their losing some contracts to the competition of the big companies. Since that time, has the minister reached a decision and can he tell us what his views are about the representations made to him?

[*English*]

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, there are two problems with respect to the shortage of stove oil and furnace oil in Quebec. The first problem, and the No. 1 priority of the government, is to ensure consumers of stove oil and fuel oil that they will be looked after.

The government has made a number of efforts to ensure that federal arms, such as the Department of National Defence, for instance, have shipped stove oil from the special reserve in Newfoundland into the Quebec market.

Similarly, the Minister of Transport has made special efforts to get the air carriers of Canada to switch fuels temporarily so that more kerosene will be made available to consumers of stove oil in the province of Quebec. I believe that these methods, along with certain other reallocations on the part of eastern refiners to the Quebec market, have helped the situation.

The second problem the hon. member raises is the question of allocation and the position of the independents. We have made every effort to get the co-operation of the refiners to make a fair distribution. I am not satisfied as yet that that fair distribution has been obtained. We have advised the refiners that we have some evidence which indicates they are taking advantage of the situation. I can tell the hon. member that as a result of that evidence I have issued instructions to my department that I want an audit made and an investigation into certain practices in the province of Quebec.

[*Translation*]

Mr. La Salle: I appreciate the reply of the minister very much. On a supplementary, last week, I believe, at a meeting of the 800 Quebec independent distributors, the association expressed its intention of asking the government to act through legislation, if the need should arise, to protect those independent distributors who represent thousands of employees. Is the minister aware of the recommendation of the association and under special circumstances would he be willing to introduce a bill to protect those independent distributors?

• (1140)

[*English*]

Mr. Gillespie: Mr. Speaker, I have had discussions with representatives of the independent retailers. We have discussed a number of methods. I referred to the audit and investigation which will be launched very shortly.

I also want to tell the hon. member that I have received representations that the differential with respect to middle distillates which has protected Canadian refineries, providing a degree of protection against imports, has had an adverse affect upon the ability of independent retailers to purchase advantageously. I received those representations from the industry and I have received representations from a large number of members of my party from the province of Quebec. As a result of

those representations, Mr. Speaker, I have decided that the differential will be removed on middle distillates starting next week.

Some hon. Members: Hear, hear!

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EXTERNAL AFFAIRS

FUNDING OF GARRISON DIVERSION UNIT

Mr. Dean Whiteway (Selkirk): Mr. Speaker, my question is for the Prime Minister. Just this past week, Governor Link of North Dakota made representations to Congress for additional funding for the Garrison diversion unit. Could the Prime Minister assure this House that the question of Garrison will be on the agenda for discussion with President Carter in his visit to Washington next week?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, all these are welcome suggestions, but I wish the opposition would get together and let me know which of them—I think there are now ten suggestions for discussion, all of them very lengthy and important—they would like me to raise with President Carter. I will not be able to raise them all.

Mr. Stevens: You will be there for the photos.

Mr. Trudeau: But, indeed, if the Garrison diversion is more important to the Tories than the A-B line or the matter of—

An hon. Member: What about Canada?

Mr. Trudeau: They are all important, Mr. Speaker. We have constant meetings—

Mr. Stevens: You will remember the photographs.

Mr. Trudeau: I think there is some nervousness over there. Just because their leader is not here does not mean they will get his job. They will just have to take it easy.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

An hon. Member: You will be leaving first.

An hon. Member: He will get your job.

Mr. Trudeau: He may try and get my job.

Some hon. Members: Oh, oh!

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THE CANADIAN ECONOMY

REPORT OF INSTITUTE OF POLICY ANALYSIS

Mr. Donald J. Johnston (Westmount): Mr. Speaker, my question is for the Minister of Finance. I have in front of me an article from the Toronto *Star* dated February 28, entitled "Would a Tory Win Help the Dollar?".

Some hon. Members: Order.

An hon. Member: Of course it would.

Mr. Speaker: Order, please. If the hon. member has a question, he should put it directly.

An hon. Member: Naturally it would.

Mr. Chrétien: Are you nervous?

Mr. Johnston (Westmount): My question is whether the Minister of Finance and his officials agree with the conclusions expressed in the report—

Some hon. Members: Oh, oh!

An hon. Member: Sit down.

Mr. Johnston (Westmount): —of the Institute of Policy Analysis, of the University of Toronto, to the effect that had Tory policies been implemented—

An hon. Member: Come on.

Mr. Speaker: Order, please. The hon. member for Kingston and the Islands.

Mr. Trudeau: You can't take it.

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PUBLIC SERVICE

POLICY RESPECTING LAY-OFFS

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is for the President of the Treasury Board, who seems to have some difficulty keeping his seat these days.

Some hon. Members: Oh, oh!

Mr. Alexander: I mentioned that before. He is up and down.

An hon. Member: Watch your seat.

Miss MacDonald: I would like to ask the President of the Treasury Board a question regarding an answer he gave me the other day concerning lay-offs in the public service, particularly as they apply to women. I quote:

> These are the people who are the latest hirees and, naturally, if there is some restriction in the public service it is normal policy that the people most recently hired are the first laid off.

Having had an opportunity to look at the normal policy of the Treasury Board with regard to reductions in the work force, and to see that the reductions are determined by the reverse order of merit—

An hon. Member: Order.

Miss MacDonald: —I ask the President of the Treasury Board whether last hired, first fired is a new policy regarding reductions in the public service over-all, or does this apply only to women?

Hon. Judd Buchanan (President of the Treasury Board): Mr. Speaker, as the hon. member is aware, the principle used is one of merit. But as a generalization, if there are large numbers of people, one would find a much larger proportion among the last people hired that are being laid off. I suggest to the hon. member that this is consistent with the merit principle which I think she is driving at in her question.

* * *

STATUS OF WOMEN

LAY-OFFS IN PUBLIC SERVICE—POLICY AS IT APPLIES TO WOMEN

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my supplementary question is for the minister in charge of the Status of Women.

Seeing that the President of the Treasury Board is following the policy of last hired, first fired—which is clearly discriminatory against women, as he himself admits—or he may, indeed, be following the reverse order of merit policy, which he says is his department's policy, but in a way that clearly discriminates against women—as the figures released the other day prove—I ask the minister if the policy that is being followed by the President of the Treasury Board is one which has his endorsement regarding the treatment of women in the public service. Also, what is he going to do about it? Is this part of his action plan for women which he is supposed to be introducing?

[*Translation*]

Hon. Marc Lalonde (Minister of Justice): Mr. Speaker, as usual the hon. member completely distorts the reply the minister gave here a few minutes ago. I shall reply by asking her whether, in line with her policy, she would like us to lay off the civil servants with the most seniority.

* * *

[*English*]

SCIENCE AND TECHNOLOGY

FUNDING OF RESEARCH AND DEVELOPMENT

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have a question for the Minister of State for Science and Technology. The minister's ad hoc advisory committee on research, which has representatives on it from government and from industry, has published estimates that in constant dollars university research and development must increase by 30 per cent a year, industrial research and development must increase by 27 per cent a year, and government research and development must increase by 10 per cent a year to reach the government's announced target of 1.5 per cent of the gross national product by 1983.

Since we are falling so far behind as a result of the cuts announced in the estimates, what steps is the minister taking to reach the goals announced on June 1 by the former minister?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, I answered an almost identical question yesterday with regard to that matter. I made it quite clear that the government expects the private sector to play an important role as far as expenditures and performance of research and development in Canada are concerned, not just for the sake of research and development, important as that may be, but as part of the innovative and entrepreneurial process.

Toward that end, the Minister of Finance in the last budget increased the tax credits for research and development in Canada. We believe that if industry takes advantage of those tax credits and also the measures of a previous budget, it could increase expenditures and performance in research and development in Canada by roughly $150 million a year.

Mr. Orlikow: Mr. Speaker, in view of the fact that the second tier committee set up by the government, which has representation on it from both industry and labour, in analysing these proposed tax cuts predicted that they would not work, and recommended instead that the government adopt a policy of payback from profitable, subsidized research and the prevention of free transfers out of Canada of research and development benefits, is the minister giving consideration to those practical proposals made by the second tier committee?

• (1150)

Mr. Gillespie: These matters are ongoing efforts among the government, industry and the sector task forces. The hon. member may have read the government's response to the Overview Committee and he may have noted, with respect to the so-called payback mechanisms, that these are mechanisms which the government is already using in connection with some of its programs. They have not always been as successful as industry spokesmen thought they might be, in that they tend to generate a great deal of red tape.

We believe the incentive measures for which industry has been asking, and to which requests the government has responded, are more likely to generate increased research and development in Canadian industry.

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EXTERNAL AFFAIRS

NATURAL RESOURCES—NEED FOR UNIMPEDED ACCESS ACROSS ALASKA-CANADA BORDER

Mr. Thomas Siddon (Burnaby-Richmond-Delta): Mr. Speaker, I will direct my question to the Prime Minister, in the absence of the Secretary of State for External Affairs.

In view of the fact that recent decisions by the United States government have apparently restricted access to more than half of the international boundary between British Columbia and Alaska, and recognizing that development of mineral and other resource industries in northern British Columbia and the Yukon demands unimpeded access through the Panhandle region, will the right hon. gentleman advise us what action has been initiated in response to a recent forceful appeal by the B.C. and Yukon Chamber of Mines requesting that the government investigate the serious consequences of these land withdrawals in the state of Alaska? Further, will the Prime Minister undertake to raise this urgent and important matter with President Carter during their tête-à-tête?

Right Hon. P. E. Trudeau (Prime Minister): I will be glad to take note of the question on behalf of the Secretary of State for External Affairs.

* * *

ENERGY

PROPOSED CUTBACK IN IMPORTS—EFFECT OF IEA AGREEMENT

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. In 1974, Canada became one of the signatory countries to the International Energy Agency agreement. One of the clauses in that agreement provided that Canada would reduce its consumption of petroleum products if oil exports from certain sources fell below a certain figure.

Would the minister advise us how Canada proposes to cut back its imports by 5 per cent under that agreement as announced this morning?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): The governing board of the International Energy Agency met in Paris yesterday and reached a decision to work collectively to reduce world oil demand by two million barrels a day, roughly 5 per cent of the consumption by International Energy Agency countries. The purpose of this decision was to move demand and supply into balance and reduce pressure on prices, particularly spot prices.

As to the methods to be used by these countries operating separately and in addition to obligations under the emergency oil sharing agreement, there are a variety of procedures. They include demand restraint where it would not impair economic activity, the substitution of other fuels for oil where that might work, and increases in indigenous production. The hon. member will recognize that the last named method is one which Canada has already used. By virtue of the swapping arrangements we have been able to manage our resources in such a way that there was reserve capacity, and that reserve has been moved to the east coast. So Canada is already performing in accordance with the undertakings which other countries have assumed.

[Mr. Siddon.]

[*Translation*]

REGIONAL ECONOMIC EXPANSION

INQUIRY WHETHER AGREEMENT REACHED WITH NEW BRUNSWICK ON ADDITIONAL DEVELOPMENT

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, my question is for the Minister of Regional Economic Expansion.

Can the minister tell us if, after several months of negotiations, the federal government and the New Brunswick government have agreed to sign, in the near future, a subsidiary agreement for the underdeveloped areas?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, after many months of negotiations, we have surely made some considerable progress, but I am not in a position to say today that such an agreement will indeed be signed in the coming weeks. I certainly hope so, but there are still some points to be clarified. We will do all we can to sign this agreement as rapidly as possible in order that its implementation may begin in the next financial year.

* * *

[*English*]

LABOUR DISPUTES

ACTION TAKEN TO AVERT POSSIBLE STRIKE OF VANCOUVER DOCK WORKERS

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, my question is to the Acting Minister of Labour. It is one of which I have given notice and it has to do with the continuing difficulties being experienced in grain transportation and export.

The acting minister will be aware that the dock workers in Vancouver have voted heavily in favour of strike action. I should like to know what action the minister is taking to avert this serious prospect of a strike which would so gravely affect western farmers and the economy generally.

Hon. Barney Danson (Acting Minister of Labour): I will have to take notice of the question, though perhaps it could be answered by the parliamentary secretary, the hon. member for Louis-Hébert.

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Labour): A notification of impasse has been received from the union, and while a strike vote has been taken the parties have not acquired the right of strike or lock-out. Further conciliation procedures are under consideration by the minister at this moment. He will be in the House on Monday, and if the hon. member wishes to put the question to him, he will be able to answer in more detail.

Mr. Hnatyshyn: Mr. Speaker, I will put my supplementary because I might not be recognized then. I am sure the minister will be aware of statements of total dissatisfaction by the

Western Grain Elevator Association with proposed hours of work regulations covering western grain elevators.

Having regard to the position taken by the minister's predecessor in debate on amendments to the Canada Labour Code, has the department ruled out exempting country elevator managers from the hours of work provisions?

Mr. Dawson: I will take notice of the question, Mr. Speaker.

Mr. Hnatyshyn: But I already gave you notice.

* * *

AIR TRANSPORT

INVESTIGATION INTO HELICOPTER SKIING ACCIDENT IN BRITISH COLUMBIA

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, I had hoped to address a question to the Minister of Transport. In his absence, perhaps his parliamentary secretary could reply.

Having regard to recent reports of further loss of life in avalanches in British Columbia, is the hon. gentleman able to tell us the extent to which the Ministry of Transport is inquiring into the previous helicopter skiing accident in which seven skiers died?

[*Translation*]

Mr. Charles Lapointe (Parliamentary Secretary to Minister of Transport): Mr. Speaker, as in all cases of accident or failure of certain aviation techniques or some bad practices in the field of aviation, the matter is dealt with by the Aviation Safety Investigation Division. If I can obtain more details, I will be happy to communicate them to the hon. member on Monday.

* * *

[*English*]

POST OFFICE

OVERNIGHT INTERCITY COURIER SERVICE—ALLEGED SECRECY RESPECTING PROGRAM

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Postmaster General. It relates to the overnight intercity courier service launched recently by the Post Office in an attempt to recover business losses to private couriers of up to $100 million.

I should like to ask whether this service is designed to replace the now defunct assured delivery service. Would it require an expensive repainting of post boxes? Further, why has the government imposed secrecy on this program by forbidding officials to discuss it.

Hon. J. Gilles Lamontagne (Postmaster General): It seems the hon. member is referring to our new service which is called Priority Post. It was devised to give to certain customers under contract a mail service comparable to that of any private enterprise competing with us at the moment. We could promote it, in a way, without publicity; the reason we have not publicized it is that we wanted to make sure that the operation was a success, that it was self-sufficient and that undertaking this new venture would not lead to a requirement for more money from taxpayers.

Mr. Dinsdale: I am amazed that this new service was not announced in the House of Commons in accordance with tradition around this place.

Is this new service an attempt by the Post Office to extend its monopoly by surreptitious means over the transfer of goods and the transmission of messages as proposed in the legislation to set up a Crown corporation?

Mr. Lamontagne: There is nothing secret about it. It is just a question of good management on the part of the Post Office. We are establishing a service to compete with people who are trying to take away part of our business. It is just a matter of good business sense.

● (1200)

REASON FOR DELAY IN UNLOADING MAIL AT GATEWAY PLANT—WITHHOLDING OF DELIVERIES BY BULK MAILERS IN TORONTO

Mr. Rob Parker (Eglinton): Mr. Speaker, my question is directed to the Postmaster General. In view of his statement yesterday that 95 per cent to 97 per cent of the mail in Canada is delivered within one to two days, can the minister tell the House why at the Gateway postal plant in Mississauga, Ontario, within the last month more than 60 tractor-trailer loads of mail were held for over 48 hours without being unloaded?

Further, can he explain why officials of the Post Office have been requesting bulk mailers in Toronto to withhold deliveries to that same plant for periods of up to a week because they have been unable to process them?

Hon. J. Gilles Lamontagne (Postmaster General): Mr. Speaker, I am not aware of the difficulties we have had at Mississauga. However, I can assure the hon. member that we are taking care of the Ontario area. The proof is that with the departure of our director-general, Mr. Hubling—which we regret—we have put all Ontario metro areas under the direct responsibility of the Deputy Postmaster General to see that no problems like this arise in the future.

* * *

CANADIAN HUMAN RIGHTS ACT

POWERS OF HUMAN RIGHTS COMMISSIONER

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I would like to direct a question to the Prime Minister. It is a very serious question and I know the Prime Minister will treat it very seriously.

As a result of the actions of the Minister of Justice and the Minister of Employment and Immigration, the Canadian Human Rights Commissioner has been reduced to nothing but a toothless tiger. They have attempted to emasculate the Human Rights Act which I know the Prime Minister wants. What is going on here? When we passed this legislation, I thought it would not be selective, but it seems that this government is attempting to make it selective. I ask the Prime Minister, in all seriousness for his views regarding this very important matter.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I discussed the matter a few days ago with the Minister of Justice. I have not discussed it with him since and I do not know what developments have taken place with regard to the position taken by the commissioner and the fact that some legislation and some actions are before the courts.

I knew that the issue was that the commission should wait to see what the courts were deciding in this particular case. I believe that would be the position of the hon. member, too. The law must prevail. This is a matter for the courts to decide, and I believe that was the situation a few days ago. I do not know what has come out of that court action since.

Mr. Alexander: Mr. Speaker, I am extremely disappointed and very surprised at the Prime Minister's answer, because he too is going along with selectivity in the process. I find that to be very obnoxious. On the order paper now there is a bill which contains the following clause:

Nothing in this act shall be construed as limiting the application of the Canadian Human Rights Act.

The Prime Minister knows that when I am serious, I am serious. I am not going to get smart with him. Would he see to it, in the last days of this parliament, that any legislation which is introduced will take account of the clause to which I have referred? Perhaps it is necessary that such a clause be included in all legislation. Failing that, we will have legislation which will be nothing but a sham and a fraud; we will have reduced the commissioner to the level of someone who has no power whatsoever.

Mr. Trudeau: Mr. Speaker, in spite of the hon. member's plea to be taken seriously, I am afraid that the last part of his question shows that he is not very serious. This House debated that bill at great length. It was presented in utmost earnest by the government. We chose to head the commission with an honourable and respected member of the hon. member's party.

Mr. Alexander: But look at what you are doing to him.

Mr. Trudeau: The law is taking its course. Surely the hon. member is not asking the government to phone a judge to tell him to stand aside in this case.

Mr. Alexander: I am saying that there should be no exceptions, and the Prime Minister has not answered my question. That is a sham and a fraud.

[Mr. Alexander.]

PRIVILEGE

MR. JOHNSTON (WESTMOUNT)—DISALLOWANCE OF QUESTION DURING QUESTION PERIOD

Mr. Donald J. Johnston (Westmount): Mr. Speaker, I rise on a question of privilege. The question I would like to raise relates to the question I attempted to pose during the question period to the Minister of Finance (Mr. Chrétien). With respect, Mr. Speaker, there was a preamble, but I would point out that questions asked by hon. members opposite, such as the one immediately following mine asked by the hon. member for Kingston and the Islands (Miss MacDonald), contained a much more substantial and provocative preamble than the one contained in my question.

Mr. Speaker: If the hon. member wishes to proceed with his question of privilege, I think he should be aware that fundamentally, to begin with, he was asking a hypothetical question. I am sure that from a cursory examination of the article to which he was referring he is aware that it postulates the victory of a certain political party in the future and presumes some conclusions. That therefore disqualifies his question. Whether or not his question suffered from any other defects or disabilities remains to be seen.

However, I gave him an opportunity to skip over his preamble and put his question. When he did, it seemed to me that the question he was putting was clearly hypothetical. Furthermore, he was asking for an opinion on that hypothesis, and I thought, therefore, that his question failed on those two counts. It had nothing to do with a provocative or political preamble.

* * *

POINTS OF ORDER

MR. DICK—NOTICE QUESTION OF PRIVILEGE TO BE RAISED

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, today being Friday, the House begins sitting at eleven o'clock rather than two o'clock, and *Hansard* was delivered today—at least to my office—at 10.10, so it was impossible to give one hour's notice. Yesterday on two occasions Your Honour stated that perhaps after reading what went on yesterday and looking at the precedents people might like to give notice today or at another date—as soon as possible—and I would like to indicate that I probably will be doing that at the first opportunity next week. Unfortunately, on Monday I have an engagement. I have to go to a hospital, but I will be here on Tuesday. I just could not give an hour's notice because of the time at which I received *Hansard* and because today's sitting began at eleven o'clock and not two o'clock.

MISS MACDONALD—PREAMBLE TO QUESTION ASKED DURING QUESTION PERIOD

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, because my name was mentioned by the hon.

member for Westmount (Mr. Johnston) in his intervention, I would like to state that the preamble to my question referred to a direct quote from the words of a minister as recorded in *Hansard* for February 27 at page 3629, so it was a fairly substantial preamble.

Mr. Speaker: The hon. member for Kingston and the Islands (Miss MacDonald) does not have to remind me that her preamble was fairly substantial. I remember it very well.

ROUTINE PROCEEDINGS

[*English*]

SUPPLEMENTARY ESTIMATES (B) 1978-79

A message from His Excellency the Governor General transmitting Supplementary Estimates (B) of sums required for the service of Canada for the fiscal year ending March 31, 1979, was presented by hon. Judd Buchanan (President of the Treasury Board) and read by Mr. Speaker to the House.

● (1210)

REFERENCE TO STANDING COMMITTEE

Hon. Norman A. Cafik (Minister of State (Multiculturalism)): Mr. Speaker, pursuant to Standing Order 59, I move that the Supplementary Estimates (B) 1978-79 tabled this day be referred to the several standing committees of the House as follows. I have a three page list of committees which has been distributed, so may I dispense with reading it, and would the House take it as read?

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, we have had an opportunity to review that list and it looks to us as if it were appropriate. If the minister can assure us that it is being done in the normal way, if he could confirm that, we would be happy to take it as read and would agree to it.

Mr. Cafik: I can confirm that it is done in the way it is being done, namely that it was distributed to all House leaders. I cannot say it is normal because it might deviate somewhat from the predecents.

Mr. Speaker: The House has heard the minister's request. Since his list has been circulated, it should be taken as having been included in the motion which he has just now read and will be printed in *Hansard* so that these estimates can be referred to the several committees named.

[*Editor's Note: List above referred to follows*]:

To the Standing Committee on Agriculture:
Agriculture votes 5b, 20b, 40b, 50b and 60b
To the Standing Committee on Broadcasting, Films and Assistance to the Arts:
Communications votes 10b and 15b
Secretary of State votes 15b, 20b, 60b, 85b, 95b, 100b and 125b
To the Standing Committee on External Affairs and National Defence:
External Affairs votes 1b, 10b, L16b, L17b, 30b and L36b
National Defence votes 1b, 5b and 10b
To the Standing Committee on Finance, Trade and Economic Affairs:
Economic Development vote 1b
Finance votes 7b and 16b
Industry, Trade and Commerce votes 1b, 35b, 45b and 60b
National Revenue votes 1b and 5b
To the Standing Committee on Fisheries and Forestry:
Environment votes 1b, 5b, 15b, 25b and 30b
To the Standing Committee on Health, Welfare and Social Affairs:
National Health and Welfare votes 15b, 25b, 30b and 50b
Urban Affairs vote 5b
To the Standing Committee on Indian Affairs and Northern Development:
Indian Affairs and Northern Development votes 1b, 5b, 30b, 73b and L76b
To the Standing Committee on Justice and Legal Affairs:
Justice vote 25b
Solicitor General votes 1b, 5b, 15b and L19b
To the Standing Committee on Labour, Manpower and Immigration:
Employment and Immigration votes 5b and 15b
Labour vote 1b
To the Standing Committee on Miscellaneous Estimates:
Governor General and Lieutenant Governors vote 1b
Privy Council vote 1b
Science and Technology vote 15b
Supply and Services votes 5b and L6b
Treasury Board vote 40b
To the Standing Committee on National Resources and Public Works:
Energy, Mines and Resources votes 5b, L25b, L27b, 50b and L85b
Public Works votes 10b, 20b and 45b
To the Standing Committee on Privilege and Elections:
Privy Council vote 10b
To the Standing Committee on Regional Development:
Regional Economic Expansion votes 1b, L16b, L20b and 25b
To the Standing Committee on Transport and Communications:
Post Office vote 1b
Transport votes 5b, L7b, 10b, 12b, 13b, 20b, 30b, 40b, 50b, L63b, 70b, 85b and 115b
To the Standing Committee on Veterans Affairs:
Veterans Affairs votes 1b and 30b

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

Some hon. Members: Agreed.

Mr. Speaker: I presume the seconder of that motion is the President of the Treasury Board (Mr. Buchanan).

Some hon. Members: Agreed.

Motion agreed to.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Frank Maine (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, the following

questions will be answered today: 145, 379, 445, 712, 972, 998 and 1,020.

I ask, Mr. Speaker, that all other questions be allowed to stand.

[*Text*]

FOOD AID TO THIRD WORLD AND DEVELOPING COUNTRIES

Question No. 145—**Mr. Hnatyshyn:**

What was Canada's contribution to food aid for third world and developing countries for 1976 and 1977 and (a) to which countries were contributions made (b) in each case (i) what food products were contributed (ii) at what dollar value (c) what was the (i) administrative costs (ii) distribution costs (iii) value of the food product?

Mr. Louis Duclos (Parliamentary Secretary to Secretary of State for External Affairs): It is not possible to provide a complete breakdown regarding the commodities and their value as supplied by Canada in fiscal years 1975-76 and 1976-77. This is because on the multilateral side, CIDA makes a grant on an annual basis to the World Food Program for purchases of Canadian foodstuffs which are then distributed through the WFP's network in approximately 100 third world and developing countries. We do not know the distribution costs but we make a lump sum annual payment toward defraying those costs in general.

On the bilateral side, it is not possible to provide information regarding distribution costs as that is the responsibility of the recipient country. The foodstuff is bought and shipped (cost, insurance and freight) to the recipient country by CIDA, hence the figures below cover transportation costs also, generally in the range of 20 to 25 per cent of the total.

Finally, in fiscal year 1976-77 CIDA's principal procurement agent, the Department of Supply and Services, went to a cost-recovery method of operation. Hence there is a considerable increase in the indicated administrative cost for the second year shown.

1975-76 Multilateral Food Aid

Grant to the World Food Program	$87,599,041.41
Transportation Contribution to World Food Program	10,000,000.00
UNICEF—Milk Powder	1,994,940.25
UNWRA—Wheat	1,891,751.12
	$101,485,732.78

1975-76 Bilateral Food Aid

Bangladesh	Rapeseed	$7,811,369.67
Ghana	Wheat	3,799,719.57
Haiti	Flour	511,929.99
	Beans	37,765.00
	Potatoes	45,956.62
	Milk Powder	238,248.00
	Rapeseed Oil	97,197.48
Honduras	Fish	588,000.00
	Milk Powder	239,190.00
India	Wheat	43,513,719.57
	Rapeseed Oil	20,443,900.88
Indo-China	Fish	871,198.82
	Milk Powder	1,059,534.00
Mali	Flour	1,405,166.71
	Semolina	1,556,367.80
Niger	Flour	1,303,605.53
	Semolina	1,475,108.88

[Mr. Maine.]

1975-76 Bilateral Food Aid

Pakistan	Wheat	17,540,273.50
Senegal	Semolina	747,995.00
	Milk Powder	540.00
Somalia	Milk Powder	416,664.00
Sri Lanka	Flour	4,045,430.51
Tchad	Semolina	14,925.53
Vietnam	Milk Powder	649,292.20
		$108,413,099.26
	Administrative Cost	168,000.00

1976-77 Multilateral Food Aid

Grant to the World Food Program	$79,410,193.88
Transportation Contribution to the World Food Program	10,000,000.00
UNICEF—Milk Powder	916,841.00
UNWRA—Flour	2,000,000.00
	$92,327,034.88

1976-77 Bilateral Food Aid

Bangladesh	Wheat	$22,000,000.00
Belize	Milk Powder	99,210.00
Colombia	Milk Powder	580,000.00
Egypt	Wheat	5,600,250.00
	Rapeseed Oil	2,891,742.76
	Milk Powder	1,322,760.00
Ghana	Wheat	2,000,000.00
Guatemala	Rapeseed Oil	48,796.15
	Liquid Milk	150,000.00
	Milk Powder	148,142.50
	Fish	2,060.00
	Beans	6,944.40
Guyana	Milk Powder	88,180.00
India	Wheat	40,000,000.00
	Rapeseed Oil	26,783,795.62
Indo-China	Fish	15,226.00
Indonesia	Wheat	8,479,999.87
Jamaica	Milk Powder	1,102,300.00
Mauritania	Wheat	962,501.51
Mozambique	Wheat	2,345,447.35
Niger	Wheat	982,994.04
Pakistan	Wheat	7,500,000.00
Peru	Milk Powder	242,500.00
Rwanda	Milk Powder	74,950.00
Senegal	Wheat	750,000.00
Sri Lanka	Flour	7,871,569.71
Somalia	Wheat	1,742,090.65
	Flour	1,075,213.00
	Rapeseed Oil	426,287.80
Tanzania	Wheat	2,976,000.00
Vietnam	Wheat	1,500,000.00
		$139,768,961.36
	Transportation	15,842,294.25
	Administrative Cost	2,071,990.01

STEVENSON AND KELLOGG—MIRABEL AIRPORT

Question No. 379—**Mr. MacKay:**

1. Did the Auditor-General order a report to be prepared by Stevenson and Kellogg on the real cost of Mirabel Airport and, if so, on what date was the report (a) commissioned (b) completed?

2. Did the report place the real cost of the Airport between 2 to 3 times as much as the amount to which the government has publicly admitted?

3. Does the government intend to make the report public and (a) if not, for what reason (b) if so, on what date?

Mr. Alan Martin (Parliamentary Secretary to Minister of Finance): 1. No. The Auditor General did not commission such a study.

2. Not applicable—see 1.

3. Not applicable—see 1.

However, the Auditor General did conduct a review of planning capital acquisitions as part of his study of procedures in cost effectiveness. This study was led by Mr. Kenneth G. Belbeck, the president of Stevenson & Kellogg, who served with the office of the Auditor General under an executive interchange agreement. Part of the planning capital acquisitions review included the project management of airport construction in the Department of Transport. Two airports, Calgary and Malton, were examined. Observations arising from these examinations will be found on pages 506 and 509 of the 1978 annual report of the Auditor General to the House of Commons. During the latter part of the study, a similar examination of the Mirabel Airport was started. However, after beginning the preliminary work it was concluded that no additional issues would be discovered and accordingly, further work was discontinued due to time and resource constraints.

ATCO STRUCTURES

Question No. 445—**Mr. Epp:**

1. Was Atco Structures awarded the contract for the RCMP detachment buildings at Baker Lake, Rankin Inlet and Eskimo Point?

2. Did Atco comply with the bid-depository regulations as set out by the Department of Public Works governing the tender and, if not, for what reason was Atco awarded the contract?

3. Did the Edmonton office refer the decision to Ottawa as to who should be awarded the contract since the Department clearly indicated that it had received two bids only, namely Ohms Construction and Arc Enterprises 1976 Ltd?

Hon. André Ouellet (Minister of Public Works and Minister of State for Urban Affairs): 1. Atco Structures was awarded three contracts on October 13, 1978 for three separate projects for the RCMP detachment buildings at Baker Lake, Rankin Inlet and Eskimo Point.

2. Atco Structures did comply with P.W.C. bid depository regulations.

3. The Edmonton office did refer the matter to departmental officials at headquarters in Ottawa who confirmed the decision that Atco Structures Ltd., would be awarded the three contracts as they had submitted the lowest valid tenders for each of the three projects. Three tenders were received, for each of the three projects, from (i) Arc Enterprises 1976 Ltd., (ii) Atco Structures Ltd., (iii) Ohms Construction Ltd., however, the tenders submitted by Ohms were disqualified because they were not accompanied by the required bid security.

RED CHINESE NAVY

Question No. 712—**Mr. Jones:**

1. Has Canada considered the presence of an emerging Red Chinese Navy a threat to our Western front?

2. Does Canada have any defences on the Western Front in order to handle the possibility of an invasion?

3. Can Canada rely on the help of NATO in such an occurrence?

Hon. Barney Danson (Minister of National Defence): 1. No.

2. A military capability on the Pacific and in the western region is maintained and operates in conjunction with the U.S.A. under the auspices of the CANUS agreement.

3. An attack on any member of the alliance demands a response by and assistance of other members to counter such action.

INTERNATIONAL DEVELOPMENT RESEARCH CENTRE—BIRTH CONTROL

Question No. 972—**Mr. Woolliams:**

1. Does the Internationl Development Research Centre provide research on birth control methods?

2. What is the full extent of the financial reimbursement for such research to the present time?

3. For what reason do such expenditures not appear in the Centre's annual report?

Mr. Louis Duclos (Parliamentary Secretary to Secretary of State for External Affairs): 1. IDRC does not itself conduct research on birth control methods. It does, however, provide funds to other institutions for such research.

2. From 1971 to the end of 1978, $10,322,621.61 was committed by the centre to research projects in the following areas:

(a) development of new and improved contraceptive methods;

(b) short-time clinical trials to assess safety and acceptance of different contraceptive methods;

(c) long-term assessment of safety of contraceptive methods in different populations;

(d) small grants to researchers in the field of human reproduction following their return to developing country institutions after a period of specialized training outside their own countries; and,

(e) studies on family planning program administration, improved contraceptive distribution systems, and the use of different personnel for the delivery of family planning services.

3. Such expenditures do appear in the centre's annual reports.

EXAMINATION OF RESPIRATORY VIRAL DISEASE

Question No. 998—**Mr. McKinnon:**

Did the Department of National Defence contract with the University of Alberta to conduct an examination of a respiratory viral disease at CFBs Comox and Alert for the sum of $33,537 and, if so (a) on what date will the examination be completed (b) will a report of such an examination be available to Members of Parliament?

Hon. Barney Danson (Minister of National Defence): Yes.

(a) 31 July, 1979.

(b) Yes.

PROTOTYPE SYSTEM FOR MOUNTAIN TERRAIN SUBSIDENCE

Question No. 1,020—**Mr. Huntington:**

1. What are the names of the companies, their addresses and the amounts of each bid on Department of Supply and Services File No. 18, SQ 23440-8-9016, "Design and/or adapt a prototype Measurement/Monitoring/Telemetry system for mountain terrain subsidence"?

2. Has a preliminary report been published and, if not, for what reason?

3. Has the contract been awarded and, if so, to whom?

4. Were there any technical changes in the parameters of the contract on a negotiated contract basis and, if so, what are they?

Hon. Pierre De Bané (Minister of Supply and Services): 1. Contract negotiations are currently in progress and it is departmental policy to maintain proposals confidential until award of contract, at which time, all the proposers will be advised of the result.

2. No, the contract has not been let.

3. No.

4. No technical changes are contemplated affecting the requirements of the request for proposal.

[*English*]

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

JUDGES ACT

MEASURE TO AMEND

Hon. Marc Lalonde (Minister of Justice) moved that Bill C-43, to amend the Judges Act, to amend an act to amend the Judges Act and to amend certain other acts in respect of the reconstitution in the courts of New Brunswick, Alberta and Saskatchewan, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, first of all, I would like to thank the opposition parties for their co-operation in the consideration of this bill, Bill C-43. I hope that once we have heard from all parties on this bill we will get agreement to pass this bill through the three stages today in the House.

In effect, this bill, while urgent and extremely useful for a few provinces in particular, is one that should not give rise to long debates or arguments and differences of view on what it tries to achieve. The bill tries to accomplish two purposes. First, it would give effect to a restructuring of the courts systems in the provinces of New Brunswick and Alberta and a proposed restructuring in the province of Saskatchewan.

[Mr. Danson.]

Second, the bill would replenish the pool of judicial salaries provided for appointments to provincial superior, county and district courts over and above fixed complements.

The restructuring of the courts systems in the three provinces I have mentioned requires amendments to the Judges Act and a number of other statutes so that the restructuring can be given full effect. As is well known by hon. members, the provinces have full jurisdiction to determine what courts they will have. Alberta and New Brunswick have already exercised their jurisdiction in this respect and Saskatchewan is in the process of doing so.

If the House were to agree to proceed to the committee stage, I have an amendment to clause 12 which I will move at that time. I understand that that proposed amendment has been circulated to the opposition parties and they have it in their hands at present. It would be made as a result of a request made by the attorney general of New Brunswick, a request which I have just received today. The amendment would provide that the provisions relating to New Brunswick will come into force on proclamation, as opposed to July 1, 1979, as presently provided. The original provision in the bill for New Brunswick was that it should come into force in that province on July 1, 1979, but the attorney general of that province has just written me saying that they did not think they would be able to put it into effect on July 1 and would like it to be delayed and put into force on proclamation. Their expectation is that their legislation would be in operation on September 1.

Mr. Knowles (Winnipeg North Centre): Would the minister permit a question at this point? He said that in committee he would move an amendment to clause 12. There is no clause 12 in the reprint of the bill, although there was one in the previous printing. I assume he proposes to move an amendment to clause 11.

Mr. Lalonde: Yes, I quite agree, Mr. Speaker; the amendment is to clause 11.

As I said, the government of New Brunswick intends to pass legislation changing the effective date of the merger of the courts from July 1 to September 1, and this amendment is made at their request to facilitate their change in plans.

The second purpose of the bill is the restoration to full strength of the pool of additional judges, provisions first enacted by parliament in 1973. It is basically a housekeeping matter necessitated by the fact that 17 judicial appointments have been made and charged, so to speak, to the pool since it was last replenished by parliament in 1976. The proposal is to have the Judges Act itself indicate clearly the number of judges comprising each court and therefore the exact number of salaries approved by parliament, and at the same time bring the pool up to its full complement of 34 judicial salaries, plus another 15 for unified family courts, so that further appointments that are required can be made without the immediate necessity of amending the Judges Act.

In closing, I would again like to thank the opposition parties for their agreement to, and support of, this measure.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I want to thank the Minister of Justice (Mr. Lalonde). We have had several bills. That is not due to his error because like everyone else he has to rely on other people, and I will not make anything of that. But finally we have received the right version.

I can incorporate in my remarks what the minister has said about that bill, that is that the main purpose of the bill is to amalgamate the district courts of Saskatchewan, Alberta and New Brunswick with the high trial court, which in Alberta would mean the amalgamation of the district court of Alberta with the Supreme Court trial division, which henceforth will be known as the Queen's Bench, and in Saskatchewan it would amalgamate the district court of Saskatchewan with their Queen's Bench, which is their trial court. The same goes for New Brunswick. In the course of amalgamation, the district courts will disappear.

• (1220)

I want to emphasize that district court judges receive less remuneration than high court trial judges of the provinces. The question of salary is mentioned in the bill; it brings the salaries of district court judges up to the level of the new positions they will hold because of the amalgamation of the two courts. There is no suggestion in the bill that the salaries of judges are being increased. When the district court judges move into their new positions and are faced with the new responsibilities of the high court trial divisions of the provinces of Saskatchewan, Alberta and New Brunswick, then of course they would receive fair remuneration as set by law and parliament.

I should like to digress somewhat, or as they say in the army, "As you were".

Mr. Baldwin: At ease!

Mr. Woolliams: Right on. As was pointed out by the Minister of Justice, parliament previously set up a pool of salaries in reference to new appointments. Rather than coming to parliament each time a new appointment is necessary, particularly when parliament is busy dealing with complex matters, the pool of salaries is available. For example, if a provincial attorney general hears from the trial division chief justice and the Court of Appeal chief justice of his province that extra judges are needed to carry the workload, an appointment is made and a salary is paid out of that pool equivalent to the salary paid to judges as set out by parliament in the last bill before it. Of course, we endorse that pool.

If I might again digress for a few moments, I should like to indicate that we are dealing with an institution when we are dealing with the judiciary which sometimes receives criticism because of its independence. Judges must have a degree of independence because they are separate and apart, under our democratic system, from the legislative processes of parliament. Often they are criticized because of the degree of independence and the positions they take in administering justice. To put it in layman's language, they are criticized because of the roles they play in trying civil matters and indeed very difficult criminal matters. Of course, they are not able to answer such criticism.

I know I speak for the Minister of Justice when I indicate in a non-partisan manner that on the whole Canada has a very fine judiciary. Of course, I am not speaking for everyone and, as I say, I am not speaking in a partisan manner. I am speaking from the point of view of all parties working together and the liaison existing among the various provincial bar associations and the Canadian Bar Association. In the last 10 or 15 years, the judiciary has been able to obtain people from various law firms or those who were deans of colleges. The judiciary has attracted a calibre of men who have the capacity to make decisions and administer justice. Canadians feel that this calibre of men is necessary.

I should like to take a moment to pay tribute to a man in my own province who has retired as chief justice of the province of Alberta. I am referring to Chief Justice J. Valentine Milvain who was appointed to the Supreme Court trial division of Alberta by the right hon. member for Prince Albert (Mr. Diefenbaker). After serving some time on that bench with distinction, Mr. Milvain was appointed by the Prime Minister (Mr. Trudeau) and his government to chief justice of the province of Alberta. In drawing that analogy and in paying this gentleman a great compliment, I have shown that we have endeavoured to move along the road away from the narrow, partisan belief that only people of certain political stripes, if that certain political party is in power, get the nod and receive an appointment to the bench. We have not gone as far as we can in that direction, but it is a step in the right direction.

I might say that I knew Chief Justice Valentine Milvain when he was practising as a lawyer and before he went on the bench. He was always very courteous. After he received his appointment, he was always very discreet, polite, knowledgeable, learned and was quite a humanist. Above all, he had a sense of humour. For example, when a most difficult trial was taking place before him with questions being put and answers being given, as we have witnessed from time to time during oral question period, sometimes the atmosphere became somewhat inflammatory. He was a judge with a sense of humour and he would bring the lawyers either for the defence or the Crown, or for the plaintiff or the defendant, back to the degree of reasonable sanity which is necessary in the administration of justice. I know I speak for members of the House when I wish Chief Justice Val Milvain well in his retirement. I can say that Alberta is sorry to see this man being forced into retirement because of his age. I only mention this in passing because I feel the gentleman is symbolic of the types of people who are being attracted to the judiciary.

Traditionally bills respecting salary increases are brought before parliament for approval. Judges are not overpaid by any means. Many of them give up law practices in which they would make twice as much money as they make on the bench. I could name many such judges but I will not. We must exercise care to see that these men and women receive the necessary compensation to exercise the degree of independence

and the degree of integrity demanded of them. Not only must they remain aloof in their jobs; they must keep their powers separate and apart from the other processes of democracy.

Also they must keep their economic affairs separate and apart because of their position. Most of them are not able to make investments in corporations A and B because corporations A and B come before them tomorrow in a law suit. In analysing the compensation paid to judges, we must take a hard look at the position they hold in society. Because they are judges, they are judging people and corporations. They are judging morals and the law, which flow from the morals set by the Criminal Code. They must remain aloof from any outside influence which would suggest any indiscretion on their part in making decisions. On the whole, I think I can safely say, after looking over the judiciary, that that has been accomplished.

I should like to say a few words in reference to the amalgamation of the courts. In my early years I had the privilege of practising in the province of Saskatchewan, and later I went to the province of Alberta. When it came to the high court, one was called the Queen's Bench and the other was called the Supreme Court trial court. Although they were named differently, they were almost identical.

● (1230)

This bill is not being produced today because the government decided to amalgamate the courts and the Minister of Justice accepted that direction, but rather because the federal government has received a mandate or a direction from the provincial governments of Alberta, Saskatchewan and New Brunswick.

In our busy society of today, with an increase in population and because of the heavy court backlog in some provinces, it has become necessary to increase the number of judges. It was felt that in some districts the district court judges had the capacity to do more work and to take on more responsibility. The district courts in Saskatchewan and Alberta have pretty well the same jurisdiction. They deal with mechanics' lien act cases and with matters involving amounts up to $2,500, although that has fluctuated up to $3,500 in one province. Under the Criminal Code these courts deal with speedy trials when an accused elects to do without a jury. Sometimes they involve pleas of guilty or the hearing of a few witnesses. In these cases the accused elect to have a speedy trial and go before the district court judge. This relieves the pressure of a large number of trials in the high court.

District courts also deal with an important part of criminal law, trials *de novo,* and I want to say something about this. Under the code offences which are not indictable, generally not serious offences, are summary conviction offences and are tried by the provincial court judges. They used to be called magistrates in police courts, but they changed the name because it was felt the judges were too close to the police. I do not know whether by changing the name they altered the atmosphere, but one thing I do know is that they now call them provincial judges and they deal with summary conviction cases.

[Mr. Woolliams.]

If a person found guilty in such a court feels aggrieved, or on the other hand if the Crown thinks an individual was wrongly acquitted, the case can then go before a district judge by way of a trial *de novo.* Up until two years ago that meant a district court judge would re-try the case by hearing witnesses for the Crown and for the defence, and most of the time they were the same witnesses. Two years ago that was changed so that the district court judge could use discretion as to whether there would be a full trial or just a review of the matter through the record.

I pointed out at the time the amendment was made that every district court judge enjoying that discretion would almost always elect to proceed by way of a review of the record because it is much easier and much simpler. As the Minister of Justice and other lawyers present who have had this experience are aware, there is no appeal from a wrong finding of fact, only an appeal on a question of law. In most cases of summary conviction offences there is very little law involved so appeals are not very successful under this new method. I opposed this at the time and I still oppose it because, while there has been an improvement in the last few years, during the period when these courts were known as police courts the Crown was always very close to the police and it was very difficult to obtain what would appear to be—and sometimes it was more than that—an impartial trial. Once you got the case out of that atmosphere and into the district court, you got a more fair and better trial.

I would presume that when the two courts are united the same situation will occur. There will no longer be a trial *de novo* as such but rather a review of the evidence. As there is no appeal possible on the law it will make a sham of the right of appeal in this regard.

I am concerned about another thing, and this is not by way of criticizing the minister or his bill. This is a matter really involving the provinces. I refer to the question of estates. In the provinces of Alberta and Saskatchewan the district courts administer estates in the right to grant probate. Just to put it simply, and application for probate is generally made by a solicitor, setting out the assets with affidavits of witnesses proving the will and so on. This is laid before the judge and there is no application as such. These documents are looked at and examined in an administrative fashion. If there does not appear to be any mathematical error or question about the full disclosure of children, or something of that nature, probate is automatically granted. This surrogate court work really falls within the jurisdiction of provinces rather than the federal government.

For a number of years district court judges have received extra salaries from the provinces over and above what they were paid by the federal government for doing this surrogate court work. I do not know what the Supreme Court trial judges who took on that job before amalgamation are going to say about becoming local administrators of estates.

Let me make a suggestion to the Minister of Justice through you, Mr. Speaker. Perhaps he could pass this on when he is writing the attorneys general of those provinces. This work

could be given to somebody who is on the provincial staffs taking these applications in the courts, such as a master in chambers, or something like that. I cannot believe that with the extensive work now being done by the high court trial judges in Saskatchewan, Alberta and New Brunswick—and I understand Ontario is to be phased in—they should be involved in this administrative work. This administration work does take some time, but it does not require the services of anyone other than an efficient clerk. In fact, let me make a confession on behalf of lawyers. I would say that 90 per cent of estates that go through a law firm are handled by experienced secretaries. The lawyer looks at the work to make sure it is all right, puts on his signature and it goes to the court house. I would not like to go that far in respect of mortgages, but I have been lucky to have had the same secretary for almost as long as I have practised and I think she knows more than a lot of lawyers. She does an excellent job. I am sure that if I did it I would probably make a mathematical error. The point I am making is that this is straight administrative work. I suggest that is one matter that could be removed from the jurisdiction of the high courts. Of course, that is up to the provinces.

Having said that, let me end on this note. On behalf of my party I have agreed that this bill should be the subject of a short debate on second reading, which is now taking place, and then referred to the committee of the whole House. There is apparently no contention, so it possibly could be given third reading today. I hope my learned counsel to the left will go along with that in his usual good humour. If the bill is referred to the Standing Committee on Justice and Legal Affairs, along with the referendum bill and the estimates, I do not think it will see the light of day before we have a new government; therefore, I suggest it should go to the committee of the whole. There should be no discussion and it ought to go through in a few minutes.

I am willing now to sit down and listen to the leading counsel in the House, the hon. member for Winnipeg North Centre (Mr. Knowles).

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have had some delightful and some embarrassing introductions in my day, but I do not know what I can say in reply, to the hon. member for Calgary North (Mr. Woolliams), except that I am happy to participate for a few minutes in the debate on Bill C-43.

The motion you put at the beginning of this debate, Mr. Speaker, called for the reference of this bill to the Standing Committee on Justice and Legal Affairs. I am happy to indicate to you that we are prepared to go along with the request of the Minister of Justice (Mr. Lalonde) and the agreement expressed by the hon. member for Calgary North. I agree that when it comes time to give second reading to this bill the motion should be amended so that the bill will go to a committee of the whole House.

● (1240)

Mr. Deputy Speaker: I heard the suggestion of the hon. member for Calgary North (Mr. Woolliams), but the minister did not give an indication that he was ready to proceed. If he is we will modify the motion, with the consent of the House, and go in to committee of the whole.

Mr. Knowles (Winnipeg North Centre): I believe you will find, Mr. Speaker, that although the Minister of Justice did not say that when he presented the motion, he did say it in the course of his remarks. I think you will find that there is agreement. We join in that agreement, partly for the reason just given by the hon. member for Calgary North, namely that the Standing Committee on Justice and Legal Affairs is overloaded with work, and partly because the matters contained in Bill C-43 are routine. They are quite straight forward and I see no reason why we cannot deal with them today in committee of the whole.

I hope that the government House leader will be made aware of our co-operation in this respect and that the favour will be returned on occasion. After all, there are some pieces of legislation which we on this side of the House would like to put through quickly. For example, in the field of veterans affairs, just as we are ready today to put this bill through all stages, we would hope that the government would give us a chance to put some veterans legislation through all stages before this session comes to an end.

As the two previous speakers have pointed out, there are two main provisions in this bill. On the one hand it increases the number of judges which can be appointed to the courts at various levels to cope with the workload facing our courts; on the other hand it provides for the amalgamation of certain courts in Alberta, Saskatchewan and New Brunswick. I think it is relevant to note, particularly in the latter case, that we are simply responding to requests from the various provinces which are affected, and that it is appropriate for us to see that this legislation does not get bogged down.

My friend from Calgary North said some nice things about the judiciary. I do not intend to expand on the subject at length, but I am happy to confirm what he said. In fact, I can say that in my experience in this House I have seen some very partisan members of parliament get appointed to the bench, and I have always been amazed at the metamorphosis that takes place, almost overnight, once they get into the responsible position of being on the bench. They seem quickly to develop a capacity for fairness and impartiality, and I hope that it will continue that way. I join with my friend in the tribute which he paid to our Canadian judiciary.

My hon. friend also had something to say about the salaries of judges, although there is no provision in this bill to increase those salaries. That brings me to something which I would like to say about the explanatory notes in the bill as it is now before us. The hon. member for Calgary North made the point with regard to the salaries of judges that many lawyers could make more money staying in their law practices than they can by taking a position on the bench. That, of course, is their decision. I believe that many of them welcome the chance to be appointed to the bench because of the contribution which they can make and because of the prestige of the position. In other words, the salary is not everything.

Mr. Paproski: It is like members of parliament.

Mr. Knowles (Winnipeg North Centre): That is right; the salary is not everything in either case. Since at the present time restraint is being preached, especially to the little people, I think that it would have been a gross error for the government to ask us to include salary increases for the judges in passing this bill. As a matter of fact, if that had happened there would not be consent to put it through all stages at this time.

I hope I am not saying anything out of order or talking out of school when I say that this matter has been discussed. Indeed, there is evidence of it in the two printings of this bill. We have Bill C-43 which was given first reading on February 22, 1979, and then a few days later we were given a reprint of Bill C-43. The reprinted copy left out the clause which provided for a salary increase in addition to what had been provided in certain other clauses.

Mr. Lalonde: Mr. Speaker, I am the last one who would want to raise a point of order with the hon. member for Winnipeg North Centre (Mr. Knowles), but since he is embarking on this question of the two printings of the bill, I would like to inform the House—although, more properly, it should probably come from the Chair—that the bill to which the Speaker gave first reading in this House is the bill that is before us today.

I understand that when the bill was sent to printing an error was made. The printer used the wrong plates and, as a result, a bill was distributed which was not the bill to which the speaker actually gave first reading. In that sense, the bill with the salary clause, which the hon. member has in his hands, never existed before the House as such. It is a non-existent bill.

Mr. Knowles (Winnipeg North Centre): I am quite happy to accept that explanation, Mr. Speaker. I was not raising a point of order or alleging that a non-existent bill is before the House. I accept the fact that the bill before us is the one which has "reprint" at the top.

The point I was trying to make is that obviously there had been some consideration in this regard. After all, this non-existent bill does exist, if I may speak in existential rather than legal terms. I am glad that any suggestion of salary increase has disappeared from the various printings of the bill.

Mr. Woolliams: You can always send your salary back, Stanley. I have told you that for years. I will take care of the legal ramifications.

Mr. Knowles (Winnipeg North Centre): By the time I got through dealing with my friend, there would not be much money left to worry about.

Mr. Woolliams: That would relieve your anxiety.

Mr. Douglas (Bruce-Grey): It would also relieve his pocket book!

[Mr. Knowles (Winnipeg North Centre).]

Mr. Knowles (Winnipeg North Centre): I have found other and better ways to relieve that anxiety. I am glad that we are passing today the bill and not the explanatory notes. The Minister of Justice points out that it was the corrected form which was handed in for first reading, but if one goes through the bill and reads the explanatory notes, it is obvious that they were written with something else in mind, and when the bill got changed these explanatory notes were not changed.

As a matter of fact, this bothered me at the House leaders' meeting this morning when the question of going into committee of the whole on this bill was raised, because I was aware of the confusion created by the explanatory notes, and I therefore felt that the bill ought to go to the standing committee. Since then, after getting advice from certain learned counsel, I have examined the bill very carefully, and although, as I say, the explanatory notes lead to much confusion and make one wonder what is being explained, I do not find any trouble with the actual wording of the 11 clauses in the bill itself. Accordingly, we are prepared not only to give the bill second reading, but to agree that it be referred to a committee of the whole House.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I see that there are a few minutes left before one o'clock. There are some things that I would like to say about the bill, most of which will be acceptable, but I may have one or two things to say which may not be quite so acceptable. Generally, I favour the bill for a number of reasons.

Approximately 25 years ago I was a bencher of the Law Society of Alberta. This particular issue involving the joinder of the two courts is a matter in which I was involved and on which I spoke at several meetings of the Alberta Bar Association. I think the judgment of the government with regard to carrying forward the submissions made by the government of Alberta is very wise. I believe I have also spoken on this matter in this House.

● (1250)

As a member of the bar who practised for a great many years in rural areas, I know there was often a feeling among many people that an inferior type of justice was dispensed at the district court level. I know that many members of the district court, which has become the court of Queen's Bench in Alberta, were fine people, and I subscribe to the remarks of the hon. member for Calgary North (Mr. Woolliams) as to the quality of the bench. There was one judge whom we used to call "the judge of necessity," because there is an ancient maxim that necessity knows no law. He was one of the exceptions, however.

There was a feeling among many people that there was a choice between going to district court or to Supreme Court, but actually this is dictated by the amount of the claim in a suit for damages.

Because of the inequality that exists in the justice dispensed by the different courts, I think the move to amend the act is

commendable and should have been done long ago. I am happy to lend my support to the bill, Mr. Speaker.

I should like to subscribe as well to the remarks of the hon. member for Calgary North about former Chief Justice Milvain, who is a very old friend of mine. We served together as benchers. He has followed a great tradition in the province of Alberta.

When I come to write my memoirs I will include the fact that the late Prime Minister Pearson did me the honour of inviting me to go to the bench. I declined because at the time I thought I had a more useful role to perform here, although I see the Minister of Justice (Mr. Lalonde) smilingly queries that.

I want to point out, Mr. Speaker, that there are a number of statutes under which the federal government has the right to initiate proceedings, one being the Official Secrets Act. One of the shocking things about it, however, is the matter of selection of judges to try a case.

In the recent Treu case there was a very serious, formidable charge and the minister of justice of the day, on the advice of his officials—I absolve the present Minister of Justice entirely as he was not involved—saw fit to direct that the party be tried before a provincial judge. I have nothing against the quality of provincial judges, Mr. Speaker, but I am given to understand that the judge in question had just recently been appointed. The charge was laid on the instructions of the minister of justice who, as attorney general, exercises a judicial function under the Official Secrets Act. When the question whether a charge should be laid arises, then in theory the minister of justice is no longer a politician but has to exercise a judicial function.

Because of the formidable character of this act, because of the severe penalties involved, because of the type of procedure that might well be involved in carrying on proceedings, no charge can be made until the minister of justice has an opportunity to survey the facts and decide, on the advice of senior officials and security people, whether a charge should be laid and, if so, what kind of charge. The charge can be laid as an indictable offence with the potential of a very severe penalty, or as a summary offence with the potential of a fine.

In the case in question, the minister of justice, no doubt on the advice of his officials, saw fit to instruct that the charge be laid as an indictable offence to be heard before a provincial court judge who, it happened, had limited experience. I do not question the capacity of the judge; I understand he had been a Crown prosecutor shortly before his appointment. My view is that a minister of justice, theoretically standing apart from his colleagues in the political sense and making that kind of decision, should exercise a great deal more care than did the then minister of justice in the case of Peter Treu.

The minister has said that a group of departmental officials is reviewing this act. I hope they will keep in mind that most judges in this country and in the United Kingdom who have had occasion to try cases involving the Official Secrets Act have not only tried the people appearing before them but have tried the act and found it guilty. Most have held that the act requires very severe changes to be made to it.

I hope that the minister, in the time that elapses before this parliament comes to a conclusion, or whoever may follow him as minister of justice, will take it as a prior order of business that not only should there be an examination of the act by departmental officials, but also by a committee of parliament. The act does not deserve to survive in its present form. This is tremendously important, Mr. Speaker.

I am one of the few people outside those involved in the Treu case who know the facts. I was co-counsel for Dr. Treu and had access to information. I looked at the evidence and I thoroughly agree with the fine judgment of the three judges of the Quebec Court of Appeal. I think anyone who reads the reasons for judgment carefully will agree that there are grave dangers in allowing that act to be used, for charges to be laid under the conditions which existed in the case of Dr. Treu, and for his being charged before a provincial judge.

I am fully convinced that once there had been a fruitless investigation leading to the expenditure of several hundreds of thousands of dollars, Dr. Treu stood as a symbol of the stupidity and bumbling involved. I do not suggest this occurred at the ministerial level. I do not believe that the former minister is that kind of man. But a decision was made at some place to see that this man was put out of the way for a while. That is the grave danger which exists and it points out the necessity for the government to be careful in the appointments that are made and in the way its powers are used to initiate proceedings involving statutes such as the Official Secrets Act.

Mr. Deputy Speaker: Order, please. Is it agreed that I seek consent to change the motion for second reading so that by unanimous consent the bill may be referred to committee of the whole?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Agreed and so ordered.

Does the House wish that I call it one o'clock and proceed with second reading when we come back at two o'clock? Otherwise I could go into committee.

• (1300)

[*ranslation*]

Motion agreed to, bill read the second time and, with unanimous consent, referred to committee of the whole.

The Chairman: The House now in committee of the whole to consider Bill C-43, to amend the Judges Act, to amend an act to amend the Judges Act and to amend certain other acts in respect of the reconstitution of the courts in New Brunswick, Alberta and Saskatchewan.

Shall clause 1 carry?

An hon. Member: One o'clock, Mr. Chairman.

The Chairman: It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At one o'clock, the committee took recess.

● (1400)

[*English*]

AFTER RECESS

The committee resumed at 2 p.m.

On clause 1—

Mr. Baker (Grenville-Carleton): Mr. Chairman, what I am about to say I could have said on the second reading debate before lunch, but I wanted to add to the assurance given to the Minister of Justice that it was our intention to deal with this bill expeditiously and thought I would add to that assurance by speaking first on the consideration of clause 1.

One might wonder why a lawyer from Ontario who is a member of the House of Commons would speak with regard to the amalgamation of federal trial courts in the provinces of Alberta, New Brunswick and Saskatchewan. However, the subject matter is really important. The bill is important because of the provinces involved, but it is equally important and applicable to my own province of Ontario—and I will deal further with that aspect in a few moments.

My hon. friend from Peace River said something modestly or else my hearing was modest; if he did not say it, it should have been said. That is that the proposal set out in this piece of legislation was put forward by him when he was a bencher of the Law Society of Alberta some 25 years ago because it has been the quest of those interested in judicial matters to bring some order into and continue the development of order in the legal system.

What this bill really provides is that the trial division of what I would call the high court in the province of Ontario, the trial division in those three provinces, would be amalgamated with the district court, not necessarily by an increase in the number of judges, though there would certainly be an increase paid generally for judges' salaries. I think the objective is worth while and I commend the minister for bringing this measure forward.

I said this was important to me, to the bench and to the bar in the province of Ontario and I want to explain that statement to the minister. We have in this province two levels of courts, three if you count the small claims court and four if you count the provincial court. But with federally appointed judges there are two levels of trial courts, the High Court of Justice trial division and the county and district courts. The history and evolution of our society, increasing the monetary jurisdiction and increasing the subject matter jurisdiction of the courts, have imposed upon the county and district courts of Ontario and upon the judges of those courts a tremendous burden by way of extra workload. Therefore, I hope that through the message of this bill the attorney general of Ontario will cause to be reviewed once again the proposals of the report of the Law Reform Commission of Ontario issued in 1973, a really monumental work with respect to the administration of justice within the province.

● (1410)

A proposal was presented to that very distinguished commission by the County and District Court Judges Association. The proposal was considered by the commission. It asked for precisely the same kind of thing which is now granted by this bill to the provinces of Alberta, Saskatchewan and New Brunswick. In its proposal the County and District Court Judges Association laid out what a judicial system is supposed to do in society. I am reading from page 92 of the report as follows:

> Modern society requires a judicial system which, without being exhaustive, possesses the following characteristics: (1) Reasonable expedition in the determination of litigants' disputes, (2) Economy for both the litigants and society, (3) Accessibility to all members of society irrespective of their means or station in life, (4) Volume-handling ability to accommodate the litigation explosion corresponding, not only with increased population, but also with increased accessibility and justiciability of new grievances, (5) Comprehensibility of the system to the public for whose needs it exists and (6) "Justice" of the decisions in the sense of confidence among all members and sectors of society in the competence of the decision-makers and quality of their decisions.

I think those are not bad criteria for anyone to consider in terms of what ought to motivate one when one is considering the construction of a judicial system. I point out that the judges were supported by the Ontario Sheriffs' and Court Registrars' Association, which is involved closely with the dispensation of justice and legal services to the citizens of the province of Ontario, in that that association advocated the union of the Supreme Court of Ontario trial division and the county and district courts of the province of Ontario into one superior court for the purposes of hearing trials, and I will deal with how that term specifically arose.

It is a matter of some misfortune and regret that while the government of Ontario adopted a large number of the administrative procedures which were laid out in that excellent, monumental and exhaustive report, for some reason which I cannot discern the government of Ontario chose not to adopt this plan with respect to the union of the courts. I do not say that in criticism. I know there was great pressure from the judges of the high court of the province of Ontario not to have this done, for reasons with which I respectfully dissent and disagree. However, it did not happen in the province of Ontario.

Mr. Woolliams: We are wiser in Saskatchewan and Alberta.

Mr. Baker (Grenville-Carleton): The hon. member for Calgary North says they are wiser in Saskatchewan and Alberta, and that may very well be, I do not know. I would not want to admit that today. It is Friday afternoon and I will not argue very strenuously with the hon. member on that point.

Because finding candidates for the bench is important, I want to let the Minister of Justice know that there was a memorandum of dissent and explanation filed by a member of the Law Reform Commission who at one time was a member of this House. The Hon. Richard Albert Bell, P.C., Q.C., was

a member of the House of Commons from 1957 until 1968 with one period of time out of the House while he returned to the practice of law. I willingly tell my friends in this House that that gentleman happens to be the senior partner of the law firm with which I am associated. I feel it would be inappropriate for me not to say that, having regard to the provisions of Bill C-6 which we might get to at some stage.

That dissenting view which, unfortunately, was not accepted, did involve the amalgamation of the trial division of the high court and the county and district courts, but it did something else too. The memorandum of dissent and explanation also advocated that for judicial purposes the province of Ontario should be divided up into a number of judicial districts so that judges would then be judges having the same jurisdiction. Mr. Bell proposed that they be called judges of the superior court and that they not have to move around to any great extent, which is quite important in terms of the life of a judge. The memorandum of dissent and explanation advocated within each of those districts a small hierarchy so that there could be a president or a chief judge within each of those districts.

That is important to the Minister of Justice because he is responsible for making recommendations, too, and joins his colleagues in cabinet in the decision-making process to decide who among the barristers in a particular province will join the federally appointed court of that province. I have talked to people who have been invited but who have declined, and some do, as the minister knows. One of the reasons they decline is that if one is to follow the law of the province—and there is some doubt as to whether all our high court judges do in terms of residence—one must uproot one's family and move to Toronto. That may be a very happy thing for the hon. member for Rosedale but it is sometimes unhappy for the families of judges. Judges must leave the communities in which they have taken an active part for many years and hive themselves off in Osgoode Hall.

If the judges involved are trial judges, they devote the rest of their lives to travelling in the province of Ontario. That is a very happy thing when one does it under happy circumstances. It is not always the best thing, however, when it has to be considered among a host of other things one might do. I think the adoption of this proposal would make the profession of judge one which would be easier to consider for highly qualified lawyers. That is one of the reasons it was regretted by me and by Mr. Bell that the commission did not see fit to adopt that proposal. It is very extensive and I commend its reading to the Minister of Justice.

There was one other important aspect. Despite the work of chief judges at all levels, but particularly at the levels about which we are talking, justice has been slow. Some of that slowness is to be blamed on the system, particularly on the perambulations of judges across the province of Ontario—and, I suspect, in other provinces as well—because of the necessity to accommodate the public and the legal profession. I would be the last to say that a great deal of the blame does not lie with the legal profession, which has not been as expeditious as it might.

I think it is important that we look at the formation of the court, its functions and its administration from the point of view not necessarily of the judges or their convenience or of lawyers or their convenience but, rather, from the point of view of the public and the convenience of the public. I commend that to the Minister of Justice.

I am aware of constitutional problems with regard to the administration of justice, but I cannot help but feel that with the prestige of the Minister of Justice there might be some way by which this matter could be reawakened.

● (1420)

A constituent of mine, a Mrs. Mary Herron—who was in this chamber just before two o'clock, as a matter of fact, as guest of the hon. member for Brandon-Souris—from the community of Glencairn in the new city of Kanata, and who happens to be a nurse at the Civic hospital, said something to me when we were discussing the subject matter of the bill before us today, something which I think is important. She said "slow justice is not justice". I think that is a good phrase for all of us to remember, and it falls on the Minister of Justice in his capacity as Attorney General of Canada to look at procedures by which not only administrations improve but justice within a province is improved.

I want to turn to one other aspect. I said that the high court judges of the province of Ontario were not happy with the proposal of district courts and in fact spoke against it at the commission hearings. They said they would be abandoning the collegiality of Osgoode Hall. There is a certain collegiality at Osgoode Hall which would be lost, they said.

I suppose there are ways that could be remedied for those high court judges. I am sure that opinion is one they honestly hold, but what has happened and what can happen—and this is something which I think one should always guard against—is that the system and the judges within the system can lose their sense of collegiality with the community. I suggest to you, sir, that moving the courts into the community to a greater extent and amalgamating the jurisdictions could accomplish great things.

While the Minister of Justice is in the committee I want to turn to one other matter which was raised by the hon. member for Peace River, and I will do it briefly. It is very important when we consider the position of the Minister of Justice that we realize he is also a judicial officer, as the hon. member for Peace River said. There is built into our system a potential conflict of interest. Not only can the person who occupies the position of minister of justice find himself in a conflict of interest position, but there can appear to be a conflict of interest.

As we develop certain other things, we will have to consider the breaking up of the responsibilities of the Minister of Justice. The Minister of Justice is a member of the government who is responsible for the maintenance of the operation of his department. He could be a constitutional adviser to his

colleagues and to the Prime Minister. He has line responsibilities to the government which are very important. Those responsibilities might not coincide with his quasi-judicial function as Attorney General of Canada, and it is important, I think, that we consider the direction in which we are going.

The joint committee on statutory instruments is now considering a way of examining the regulatory power of governments as it falls from each statute, so that when there is a reference from this House to a particular standing committee of the House, there is a parallel reference of the power to make orders in council and statutory instruments to the joint committee to be considered. If this occurs, we will be calling upon the advice of the Attorney General, a judicial officer or quasi-judicial officer who, as the hon. member for Peace River would say, should stand apart from his colleagues in government. Not that a minister of justice personally would not attempt to stand apart, but that the Minister of Justice, now dubbed Attorney General, would be seen to stand apart from the line functions of the government.

This question was raised the other day when we were considering the application of the human rights code which this parliament passed with respect to immigration. The Minister of Justice is a colleague of the Minister of Employment and Immigration, and as his colleague he has responsibility for the joint decision of the government, and all ministers are in that bag, even though from time to time one or two of them attempt to get out of it. There can arise out of that a case which could put the Minister of Justice in a difficult situation—

The Chairman: Order, please. I have to interrupt the hon. member; the time allotted to him has expired.

Some hon. Members: Carry on.

The Chairman: Does the committee agree to allow the hon. member to complete his remarks?

Some hon. Members: Agreed.

Mr. Baker (Grenville-Carleton): I thank my colleagues. I will speak only for a minute or two more.

The other area into which we are moving is the law with respect to freedom of information upon which decisions will have to be made and advice given to the executive, not on the basis of membership in the government but perhaps on the basis of advice to the government from an independent quasi-judicial authority.

Finally, there is the matter which was raised by the hon. member for Calgary North which I think should be addressed, and that is the appointment of Her Majesty's judges. There has been a movement, which some see as a healthy movement, toward using consultation in areas outside the government. I consider it terribly unhealthy.

There are some in society who feel that perhaps the function of appointment, and therefore ultimately the responsibility for the appointment of Her Majesty's judges, should be undertaken by someone other than the Minister of Justice. I caution the minister that while it would be foolish for him not to consult the Canadian Bar Association and perhaps judges and the community, it would be equally foolish for him to give the impression in the excellent appointments that have been made—and, I am confident, will be made, regardless of what party forms the government—that the Minister of Justice be seen to have removed from himself or from the government of the day the ultimate responsibility for these appointments. Certainly he should consult, but not to such an extent that the appointment of Her Majesty's judges is seen to be taken away from the government of the day. I think it is one of the most important functions that a government performs.

I want to thank my colleagues in the House for indulging with me in the last two minutes or so and allowing me to complete those thoughts which I wanted to pass on today to the minister.

• (1430)

[*Translation*]

Mr. Corbin: Mr. Chairman, I shall be brief but I do think it is important to bring up a point which has always concerned me since I was elected to the House of Commons almost 11 years ago. Hon. members had the opportunity of considering that matter during the last session when we studied and passed Bill C-42 amending the Criminal Code and introduced a new section dealing with the language of the accused. Its purpose was, of course, to make our courts more humane, to ensure that, to the greatest possible extent at this juncture in Canadian history, the chosen official language of the accused is respected. So, the House proceeded to adopt those amendments thanks to which the accused, whether Francophone or Anglophone in Canada, no matter where he lives, now has a better chance of being heard and judged in the official language of his choice. However, I have always wondered why in an effort towards reform such as this, we did not go directly to the root of the problem.

I note that the bill before us today, Bill C-43, does not make any mention of being able to carry out a judge's duties in either of the two official languages of this country. Yet the hon. member who spoke before me quoted abundantly from a survey made in the province of Ontario and he said among other things that access of all members of society was an important factor in the delivery of legal services in this country.

So I am not trying to delay this bill unduly by raising this question. I represent in the parliament of Canada a group which is constantly concerned that justice be dealt fully for all Canadian citizens regardless of where they live in Canada. I am still curious and I would like to get an answer—how is it that in this proposed reform no mention is made of the languages of judges? I am not saying that judges in Canada, regardless of the province in which they reside, should be bilingual to qualify. Far from it, Mr. Chairman, that is not

what I am trying to get in a Canada which wants to remain united.

I believe the judiciary, starting with the judges themselves, should have at least that capacity. Individually, perhaps not, but generally I believe this country should guarantee that kind of representation. I note in the proposed constitutional reform, if one also refers to the constitution as it stands now, that it says a certain number of judges should originate from Quebec and other provinces. There is no question of language there as far as I know. I am not as learned as many members of this House who have a legal background, nevertheless I am talking for the man on the street, if I may put it that way. I am talking for the official language minorities, particularly French language minorities which always feel that their rights are being shortchanged. And in spite of the good will shown when Bill C-42 was considered, I believe progress is excessively slow in the provision of that fundamental justice in the delivery of legal services to all Canadians. Mr. Chairman, since I address myself to this particular aspect of the bill, the minister could perhaps take this opportunity to tell us what progress has been made since the passage last year of Bill C-42 concerning the language used by the accused with a view to ensuring greater justice throughout the country in the provision of French language services to the accused, or English language services if they live in Quebec of course.

Mr. Lalonde: Mr. Chairman, I would just like to say a few words in reply to the hon. member concerning the matter he has just raised.

First of all, I do not believe that the Judges Act as such would be the proper instrument to attack these problems. Other means have been found. As the hon. member stated, certain amendments have already been made to the Criminal Code to encourage the provinces to provide trials in one or the other of the official languages according to the choice of the accused as concerns criminal matters. Moreover, the hon. member is probably aware that during our constitutional discussions with the provinces concerning a human rights charter which would include linguistic rights, it was specifically provided that the provinces would be invited in this charter to guarantee to all their citizens the right to be heard in either official language, even in matters other than of a criminal nature. I am speaking about civil cases which come within provincial jurisdiction. I would also like to emphasize that enormous progress has been made concerning the ability of judges to speak and understand both official languages of Canada at the present time.

My department has financed a linguistic training program for judges which has been very useful. At the present time we can say, for instance, that on the whole the Supreme Court of Canada can operate very well in both official languages, that the Federal Court of Canada can also operate in both official languages, and I would like to mention simply the new chief justice of the provincial court, namely the Supreme Court of Alberta, Mr. Justice Sinclair, who, thanks to these courses, can now speak perfectly in both languages and can express himself in a French which many French-speaking Canadians would envy.

Tremendous progress has been made, first by judges individually, second through amendments to the Criminal Code and, third, through the discussions taking place with the provinces concerning a linguistic rights charter. Finally, as concerns the appointment or the selection of judges, obviously the first criterion must be their juridical competence. Of course, if we need a judge for northern New Brunswick, we will try to appoint someone who is fluent in both official languages. The same situation prevails in some areas of Ontario and in the province of Quebec, of course, it is required by the constitution. The constitution does not require that every judge speak both languages but in Quebec you can be tried in the official language of your choice.

Now then, as concerns the specific question raised by the hon. member about the amendment made to the Criminal Code last year, there are continuous consultations with the provinces involved, particularly the province of Ontario, the province of New Brunswick, the province of Quebec, where it exists already, and I must say that remarkable progress has been made in Ontario in the last year. I cannot tell the hon. member exactly when those provinces will pass the proposed amendment. Recently we have had some administrative difficulties, perfectly understandable, having the staff required for the training courses at a given place, or a given date, so that the system may really work.

● (1440)

I can say without hesitation that the provinces which have sizeable official language minorities have made a lot of efforts and progress in that area since last year, and that the provincial ministers of justice concerned gave me full co-operation on this. I think that the will of parliament in that regard was very clearly expressed last year and that the attorneys general and the provincial ministers of justice gave us continuous co-operation in order to offer to their citizens the services which are provided for in that piece of legislation. So I think we can make substantial progress and that the provinces indicated very clearly and strongly their intention to continue in that direction and their wish to have those amendments to the Criminal Code proclaimed as soon as they will be in a position to offer all the services to their citizens. So we are really making considerable progress in that direction at the present time.

Clauses 1 to 10 inclusive agreed to.

On clause 11—

Mr. Lalonde: I should like to move an amendment, seconded by the Minister of Employment and Immigration (Mr. Cullen):

That Bill C-43, an act to amend the Judges Act, to amend an act to amend the Judges Act and to amend certain other acts in respect of the reconstitution of the courts in New Brunswick, Alberta and Saskatchewan, be amended in clause 11:

(a) by striking out line 2 on page 5 and substituting the following:

"subsections (2), (3) and (4), this Act shall come"

(b) by adding the following immediately after line 4 on page 6:

New Brunswick

"(4) Section 3 and subsections 7(2) and 8(1), and section 10 in so far as it relates to the Province of New Brunswick, shall come into force on a day, not earlier than July 1, 1979, to be fixed by proclamation."

Mr. Woolliams: We agree.

Mr. Knowles (Winnipeg North Centre): We agree but we would like to see it.

Amendment (Mr. Lalonde) agreed to.

Clause 11 as amended agreed to.

Schedule agreed to.

Title agreed to.

Bill reported.

Hon. Marc Lalonde (Minister of Justice) moved that the bill be concurred in.

Motion agreed to.

Mr. Deputy Speaker: Is it the pleasure of the House to proceed now to third reading of the bill?

Some hon. Members: Agreed.

Hon. Marc Lalonde (Minister of Justice) moved that the bill be read the third time and do pass.

Mr. Knowles (Winnipeg North Centre): Carried on division.

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

* * *

[*English*]

NATIONAL HOUSING ACT

MEASURE TO AMEND

The House resumed from Thursday, March 1, consideration of the motion of Mr. Ouellet that Bill C-29, to amend the National Housing Act and the Central Mortgage and Housing Corporation Act and to make other related amendments, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Donald J. Johnston (Westmount): Mr. Speaker, it gives me pleasure to continue the debate on Bill C-29, from where we left off yesterday, at which time I was addressing certain remarks on the value, merit, or demerit if you like, of mortgage interest deductibility schemes and schemes to provide deduction for real estate taxes in terms of stimulating the housing industry in this country.

I had pointed out that a number of us, a bipartisan parliamentary group, had conducted a fairly in-depth analysis of the experience of our neighbours in the United States in this particular area. I should like very briefly to reiterate that no positive decision to introduce mortgage interest deductibility or real estate tax deductibility as a policy matter has ever been adopted in the United States. It is part, if you like, of the basic structure of the U.S. revenue system, having existed since 1913 and extending not only to real estate taxes but to other local taxes, and extending not only to mortgage interest but to all interest. Therefore, I think it is important for us to recognize, when comparing our situation in Canada to that of our U.S. neighbours, that no option has ever existed in recent years for the United States to introduce such a scheme. The only option has been, of course, to withdraw such a scheme.

We were advised by all observers in the United States that the elimination of this particular provision of the law would be impossible, for a number of reasons which are quite obvious. First of all, many people who have purchased homes are, of course, dependent upon mortgage financing and upon the deductibility of interest associated with those mortgages. Basically they are in the position where the withdrawal of that benefit at this point could have severe personal economic consequences, not to speak, of course, of the very serious political difficulties of withdrawing a plan which is supported by a large number of home owners in the United States.

It was our experience, and I believe this was mentioned by the hon. member for Ottawa-Carleton (Mrs. Pigott) in the course of a number of her comments both inside and outside the House, that privately many individuals whom she had encountered supported mortgage interest deductibility because they personally found it beneficial. I can assure the House that the same would be true in this country. I can think of nothing more attractive for many Canadian home owners, myself included, than to have the benefit of being able to deduct the interest which we pay on our mortgages and the real estate taxes we pay to our municipalities. That would be the personal preference, I am sure, of a wide cross-section of Canadians, and maybe of many members of this House.

When it comes to an issue of this importance, I suggest that the public interest must be placed ahead of our own personal interests here as individuals and as parliamentarians. We must look at this kind of plan in terms of what it can provide to Canadians in meeting certain fiscal, social and economic objectives.

● (1450)

What are those objectives? I analyse the objectives of any scheme of this kind as falling essentially into three categories. One, of course, is the social objective which has been put forward, namely, that of stimulating home ownership. As I indicated in the course of my remarks last night, we could probably find unanimity on that objective as being a desirable one for Canadians. It would also be a social objective to assist people to improve their housing accommodation and perhaps obtain some relief from the care and costs of housing accom-

modation. Those I would put in the area of social objectives which I believe are really germane to this debate on Bill C-29.

The fiscal objectives of any plan should be to provide a more efficient, effective and, above all, equitable tax structure. When I think of equity in terms of the tax structure—and I am sure that members of the opposition will agree with me—I think of creating as much neutrality in the tax system as possible. That is, people in the same financial circumstances should bear the same amount of tax.

Finally, there is an over-all economic objective which has been put forward in support of this kind of scheme, namely that it would provide some stimulus to the economy by increasing home construction, home purchasing and concomitant consumer spending on furnishings, home improvements and so on. Those seem to be the principal objectives of any scheme of this kind.

Surely, we must look at this question of mortgage interest deductibility and real estate tax deductibility in terms of how well it achieves those objectives, on the assumption that we accept those objectives, as opposed to other techniques designed to achieve the same purposes.

One of the most significant objectives, in my opinion, of Bill C-29 is the providing of more and better housing accommodation and more ownership for Canadians. It is apparent that mortgage interest deductibility and real estate deductibility favour home owners. I am not arguing at this stage whether that is good or bad; I am simply saying that that is the result of this kind of program. By its very nature it provides more discretionary disposable income to those Canadians who find themselves in the higher income tax brackets. When we look at home ownership we find that more homes are owned by people in higher income tax brackets than people in lower income tax brackets. Obviously, it does much less to encourage the acquisition of homes by those persons who find themselves at the lower end of the income scale—

Mr. Clarke: Tell that to the tenants.

Mr. Johnston (Westmount): —such as young couples and others who are seeking to obtain housing. My hon. friend the hon. member for Vancouver Quadra (Mr. Clarke) has referred to tenants, and the bill does nothing whatever for that category. Essentially, the deductions that are suggested would tend to widen the gap in terms of housing accommodation between the upper income groups and the lower income groups. My value judgment on that situation is that it is bad.

It may be—and I will return to this later—that many home owners in this country feel that they are prejudiced by high rates of taxation and that they should be provided with some form of relief. They may very well be prejudiced by high rates of taxation, and it is unquestionably true that this measure would provide those people with some form of relief. The question is, however, should that be an objective of a mortgage interest deductibility program as opposed to seeking to provide additional housing to a particular group who require housing in this country?

As has been mentioned by other members who have addressed this subject, any plan of this kind has far-reaching implications which can only be measured after rather sophisticated econometric and other studies have been conducted. For example, it was mentioned by one speaker that this kind of program of mortgage interest deductibility and real estate tax deductibility, appealing as it does to middle and upper income groups, might tend to attract those people into some of the city cores who would renovate the housing in that area—as I understand has been the case in certain areas of the United States—to the detriment of the core's existing tenant population, which is largely composed of people from lower income groups. Surely that cannot be regarded as a desirable social consequence of this kind of program.

Moving from the social objectives to the fiscal objectives, which I defined as seeking to provide more equity and more tax neutrality, it is obvious that this kind of program does not favour tax neutrality because it creates a benefit to home owners but not to existing tenants. It does not create the same benefits to people who find themselves in essentially the same financial circumstances. Therefore, it offends the principle of tax neutrality.

As I mentioned last night, there would obviously be, as we were advised by observers in the United States, a shift of local taxation into the real estate tax sector because, clearly, if a real property owner can obtain a tax deduction in that particular area but not in terms of other local taxes, then the municipalities or other local governments would be encouraged to increase the taxes in that particular area. Also, the economic objectives cannot be met through this particular plan as well as they could be met through other kinds of plans. Specifically, because the creation of additional disposable discretionary income finds its way to the higher income groups, there is less likelihood that it will find its way back to the economic stream as quickly as it would if it favoured lower income groups and people at the lower end of the scale, who basically are more consumer oriented, as statistics have shown us.

Perhaps more significant—and I would like all members of the House to focus on this—is the fact that, as our U.S. neighbours have told us, once this scheme is incorporated into our system, for the reasons I have already outlined it is impossible to remove it. Therefore, as I have indicated, it cannot be regarded as an economic tool. An economic tool is something which can be applied in a counter-cyclical fashion to stimulate the economy when stimulus is required and to cool off the economy when it should be cooled off. Yet here we run the risk of incorporating something structurally into our system which will be there for all time once it is introduced. Therefore, as an economic tool it is simply not viable.

I have a certain kinship with the hon. member for Rosedale (Mr. Crombie) who preceded me in the debate on this bill. I believe, though I stand to be corrected, that at one time he was opposed to the concept of mortgage interest deductibility, but last night he effectively supported the concept. My kinship with him is that I am almost a mirror image of the hon. member for Rosedale, in that at one time I suggested that

mortgage interest deductibility be introduced as an alternative to the registered home ownership savings plan. Subsequently, upon further examination and taking into account only some of the issues which I have raised during the course of these comments, I determined that it would not accomplish these objectives. I then moved toward a tax credit plan and have effectively supported that idea since that time, provided it is economically feasible for the country to introduce any kind of scheme at this point. I say this with a certain amount of humility, recognizing that I have had a change of position based upon a further appreciation of the very serious consequences of the introduction of this kind of scheme. I say this not in any way to denigrate the position of the progressive conservative party who brought the spotlight to bear on this issue—for that they deserve credit—but I think it behooves them to re-examine this policy in light of the evidence we have and the studies which are now available, in order to determine whether it would be in the best interests of Canadians as a whole. Upon examination of the issue I am convinced that it is not. I would encourage them to review some of the material that we have prepared.

● (1500)

I regard this as a very serious problem which should be considered in a non-partisan way. I am prepared to make available to the opposition the analysis we have made so that there can be a better dialogue on the subject. If there are any benefits to be derived from the mortgage interest deductibility and real estate tax deductions, I should like to know what they are. If there are any, they should be considered. On the basis of the analysis that we have made, Mr. Speaker, there does not seem to be any merit to the scheme at all over other schemes, and in some ways there could be very negative aspects.

I have prepared a document for the national caucus which I would be quite happy to make available to my friends on the other side of the House. It summarizes the conclusions I arrived at on the basis of the discussions held at Washington at which the hon. member for Vancouver Quadra—who, I understand, will speak on this bill—the hon. member for Ottawa-Carleton (Mrs. Pigott), and the hon. member for Broadview (Mr. Rae) were present.

There is no doubt that when this policy was put forward by the Leader of the Opposition (Mr. Clark) during the summer of 1978, it struck a responsive chord in certain sections of the community. I noticed it in my riding and I am sure other hon. members noticed it in theirs. I ask myself, if all these negative aspects are inherent in the plan, why did it strike such a responsive chord? Initially, I think it gives the appearance of stimulating the housing industry and encouraging home ownership. I was the victim of that illusion myself until I studied the matter in more detail. It is apparent now that it does not stimulate new housing nearly to the extent to which it stimulates, encourages, and benefits existing home owners. There are any number of other plans which would be more effective in creating new housing and bringing more people on to the housing market. If there is an objective inherent in this scheme, to provide tax relief to home owners, then there is no doubt that objective is accomplished by the suggestion that mortgage interest and real estate taxes should be deductible.

If we wish to provide tax relief to middle and upper income people, who suffer a severe tax burden under our present tax system, I believe, should we single out home owners? Why should we not consider our fiscal system as a whole and try to make it more fair and create more tax neutrality in all areas to which it applies? That is the objective I have been working toward for several years. It is one of the reasons why I sought to become a member of parliament, so that I could become involved in the area of fiscal reform which I believe to be so important.

It bothers me to think that we would consider introducing a provision of this kind which would further exacerbate the problems which I, and others involved in fiscal matters, have been attempting to eliminate. For example, home owners feel disadvantaged because their real estate taxes and mortgage interest payments are not deductible. If we take two Canadians, each of whom has an amount of available capital with which to buy the average priced house in Canada—which I understand is in the neighbourhood of $60,000—the question is whether the one who buys the home is better off than the one who receives interest income from his $60,000 which, assuming a 50 per cent bracket, at 10 per cent, nets $3,000 after tax. He then has that amount available for rental accommodation. I suggest that there are not too many Canadians who would prefer the position of the man with $3,000 after tax income available for living accommodation to that of the man who owns the $60,000 home, even with the costs which he has to support.

It may sound sophisticated, Mr. Speaker, but all economists have established that there is a real benefit to living in your own home. There is an imputed rental value to be attached to that benefit which, until 1963, was actually subject to taxation in the United Kingdom. We should not be horrified to learn that it has even been considered by other countries in the western world. There is a real benefit to be attached to home ownership by the mere fact of living in the house, which has never been taxed. I am hopeful and confident that it will never be taxed. Nevertheless, the home owner is in a much better situation than the renter in the same financial circumstances.

In addition, Mr. Speaker, we have the advantage in Canada that a capital gain on the principal residence is not taxable, irrespective of whether the vendor intends to buy another home. The United States has recently adopted a provision which exempts a once in a lifetime $100,000 gain. First of all, however, the home owner must be aged 55 or over and must have owned the house for at least seven years and lived in it for a certain period during those seven years. Our provisions are infinitely more attractive than those of the United States in this regard.

If we want to attain these objectives, Mr. Speaker, and provide that more people can own homes, we must look at programs which will be effective in bringing about that situation. The tax credit scheme is one because it treats people at the high end of the scale and people at the low end of the scale

equally. If we were to establish a refundable tax credit, that would reach the lower economic levels of our society and provide them with money to enable them to have adequate housing.

It is important to recognize that these schemes are costly, Mr. Speaker. Fiscal responsibility requires that no scheme of this magnitude be introduced without the most thorough analysis of the economic consequences, both in terms of stimulation of the economy and in terms of increased government deficit.

There are better ways of providing home ownership, Mr. Speaker, and there are many better ways of bringing equity into the fiscal system. This scheme would basically create a further departure from the principle of tax neutrality which I find to be unacceptable. Accordingly, I think all members of the House should address themselves, over the next several years, to the question of how our fiscal system can be improved. There is no question that there are inequities in it. This program, however, would not improve the fiscal system but would merely worsen it.

Finally, Mr. Speaker, as an instrument of economic stimulus this scheme would not be effective. It would favour people at the upper end of the bracket who, by and large, are not the consuming public, and it could never be eliminated from our system.

In closing, Mr. Speaker, I should like to emphasize that this is not something I approach in a partisan way. At one point, as I said, I supported the idea. I think that together in this country we should seek the best possible means of providing home ownership to more Canadians. I beseech the Conservative opposition not to suggest that a mortgage interest deductibility plan and a real estate tax deductibility plan be foisted on the Canadian public, with all the serious long-term economic consequences it could have.

● (1510)

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I welcome this opportunity to say a few words on Bill C-29, the housing legislation we have been discussing in our spare time, when there is nothing else to do, because this is the way we have been doing it since the minister put the bill forward a number of days ago. This strengthens my opinion that the bill has been badly put together, it is incomplete and very difficult to understand. I have been wondering, if we passed the bill as it is, whether the regulations to be enacted would be so different we would not recognize the act anymore.

My feeling is we will have to be very careful in committee with this legislation, and the minister will have to be well prepared to give us the information needed, mainly on the criteria referred to in certain clauses of the bill. There is mention of standards and criteria in a number of places, but no explanation is given and we have no sure indication where those criteria might lead us. We have no clear idea who will establish those criteria or construction standards, the standards for establishing lending values. The experience with Central Mortgage and Housing Corporation is that they have numerous offices across Canada and it would seem there were just as many National Housing Acts as there are CMHC offices. If we are to compare for instance the way the act is implemented in the area served by the Val d'Or office with that of another office in the lower St. Lawrence or the Montreal area, we would think the act is different because there is so much difference.

I suggest there should be uniformity, even if flexibility must be maintained to meet the needs and weather conditions in various areas. Building in southern Ontario is quite different from building in northern Quebec. But when it comes to lending values and valuation, I feel that variations are too wide and it is hard to assess the basis used to determine valuation rates and lending values. Mr. Speaker, in his introduction the Minister of State for Urban Affairs (Mr. Ouellet) has praised the National Housing Act. Obviously he dealt only with the bright side of the story. He surely was not going to, nor did I expect him to, openly criticize all the shortcomings in the act. Yet in his speech he told us over and over again that most Canadians enjoy good housing.

I have tried to grasp what the minister meant by that when he said that most Canadians have good housing. Did he mean that Canadians live in luxurious houses, that they live in very comfortable houses, houses in which they want to live or rather did the minister mean to say that Canadians live in expensive houses? This brings us to the issue of programs developed by Central Mortgage and Housing Corporation, these loan programs which we have had for several years, one formerly called AHOP and now rebaptized GMP, and all these types of loans which have been promoted. Most of these loans were designed for moderate income people. When one studies what is happening in the case of these people, one will realize that they actually live in very expensive houses. It does not mean that they live in luxurious houses, far from it.

I have before me a brochure published by Central Mortgage and Housing Corporation which explains the new GMP program—the graduated mortgage payments program. We are given as an example a $35,000 loan at 10¾ per cent over 25 years. Under the old program which called for equal payments over 25 years, the reimbursement of such a mortgage would cost $99,300. Under the new graduated mortgage payments program this $35,000 mortgage at 10¾ per cent will in the end cost $108,864. I therefore conclude, Mr. Speaker, that most Canadians who have availed themselves of our housing legislation live in houses which are much too expensive in relation to the size of their income. When these houses are sold, it is natural that developers and builders do not mention it because they are under no obligation to do so but in the end when the buyer is through paying for his house, it will have cost him over $100,000 to get a house which is very little more than

four walls, a roof and foundations. The house is far from luxurious, it is just good enough to live decently in, nothing more.

Developers and builders tell buyers: Thanks to payment facilities, thanks to easy loans, all you will have to pay is so much every month during so many years. A young couple who want to live in their home and who want to own a house do not realize the full extent of the commitment they are about to sign; they see only what they are going to pay, only the difference between what they will have to pay to own a house and what they are paying now as tenants. People are being lured with that difference but the truth and the reality are quite different. I do think that if every prospective owner sat down to count how much money he will have spent to buy his house over 25 or 30 years, many of them would think twice before buying and would not dare commit themselves that way. They might come up with another solution. That is exactly what is happening now, and many young couples prefer to deal with builders and developers rather than build their houses themselves and get a mortgage loan elsewhere in order to avoid lengthy and costly commitments they would have to make if they were to deal with CMHC.

● (1520)

This means, therefore, Mr. Speaker, that this housing program does not really meet the needs of Canadian people, the needs of the people this legislation is designed to help, because there are three main groups of people in Canada, those with a large income or with enough savings to do without lenders, banks, trust companies, insurance companies if they build a house. They are well off and have enough money to pay for their house when they buy it or have it built. The next group, perhaps the largest, is made up of people with low incomes who do not have enough savings to pay cash for their houses. Therefore, they have to borrow money, to deal with authorized lenders, with banks or credit unions, trust companies or insurance companies to obtain housing loans. Those are perhaps the most hard up.

The third group, Mr. Speaker, is probably made up of people who do not want or need to own a home because they are mobile, as it were. They live in a town or village for a few months, to work on a job and then they move on to another village. They are always on the move because of their jobs, or still they may be handicapped or disabled and do not think of or feel like buying a house.

Mr. Speaker, our housing legislation was designed to meet the needs of people in the largest group in making easier terms and easier loan facilities available to them so they can become home owners. But they were really tricked because by holding out to them these easier loans, they were forced to pay unduly high interest rates compared to their incomes.

At the present time, in my area at least, interest rates are about 10¾, 11 and 11¾ per cent. Mr. Speaker, when one agrees to repay a $35,000 mortgage over a 25- or 30-year period, we have to think twice about it because it is a commitment to pay very high interests over a very long period. The new program the minister is promoting so much may seem attractive to young couples who want to become homeowners because at first, for about ten years, the payments will be a little less since they are not paying any interest at that time. Interests will accrue and will be charged only from the seventh year. I think that once again, Mr. Speaker, they foisted the program upon the public rather like pressure salesmen. The government is quite good at submitting attractive programs, but in the end people who want to borrow to buy a house will have to pay about $10,000 more.

Mr. Speaker, I believe it would have been much better to lower the interest rates to help young couples buy a house. A few years ago, through a special program, interest rates were lowered to 8 per cent in certain cases while the current rates were about 9½ per cent or 10 per cent. This nearly was the same as subsidizing new homeowners.

I believe that if we want to be logical and help everyone make his dream of owning his own house come true in Canada, we must find the means to lower considerably the interest rates on mortgage loans. Otherwise, we shall never achieve this objective. We shall always be tenants in our own homes. We shall always have payments to make, because I can assure you that not many people will see the end of 25 year mortgages as there are not many houses built today which can last 25 or 30 years without costly repairs and maintenance jobs.

Mr. Speaker, I wish to underline this once again and ask the minister and the government to find the means to lower mortgage interest rates so that they do not exceed 6 per cent. This would be much more effective than any other suggestion made either by the Progressive Conservative party, the New Democratic Party or even the Liberal party. We can criticize any suggestion that is made, but if we do not take the means to enable low income people to find housing without putting too much pressure on their income and forcing them to seek out loan companies, I believe that we shall have failed in our duty and that we shall never succeed as well as we should in providing appropriate housing for everyone.

Mr. Speaker, we have all we need to build homes. We hardly have to import anything from other countries, as we produce our own building materials, such as structural materials and lumber, and we have a great many sawmills producing high quality lumber, we have plants that produce all kinds of materials used in the construction and production of these houses. I cannot understand why the cost of homes remains so high. Obviously the cost of housing has gone up because of wages and all sorts of overhead that go into the cost of producing houses.

I have here a chart from the Quebec Provincial Home Builders Association which mentions nine different trades connected with home building. For each one of them, which

include carpenters, bricklayers, cement finishers, roofers, and so on, the builder must pay, over and above wages, which in Quebec, for a carpenter for example, is $10.28 an hour, nine other items such as holidays, social security, the Office de la construction du Québec, unemployment insurance, Workmen's Compensation Board, Quebec Pension Plan, medicare, wage compensation fund and so forth, nine items, for a total of $2.76 which is added to the worker's salary.

There are also the administrative costs which the builder must assume and which are passed on to the customer. There is also a fair profit of 10 per cent, so that if a carpenter is paid $10.28 an hour, the customer is billed $17.93 an hour for his services. Therefore, it is not the carpenter alone who is expensive, but all those who are involved in a construction project. There are about ten other people who must get paid in addition to the carpenter. All these elements certainly contribute to the high cost of housing.

On top of that, Mr. Speaker, we have interest rates which are over 10 per cent. In fact, they are about 11¾ per cent just now. I suggest therefore that it is almost impossible and unthinkable for young Canadians to become the owners of their own houses, without restricting themselves on such items as food, lodging, medical care, education and so on. I suggest this bill needs improvements if we want the National Housing Act to meet the needs of Canadians and of those who require assistance to become home owners.

During committee meetings, I hope that all those who have a brief to submit, advice to give and recommendations to make to the minister will be heard, in order to improve this bill, so that the Housing Act may better meet the needs and fulfil the expectation of Canadians.

● (1530)

[*English*]

Mr. Geoff Scott (Hamilton-Wentworth): Mr. Speaker, I rise to take part in this debate unexpectedly, and with a mixture of sadness and anger. I say that my participation today at second reading of Bill C-29 is unexpected, in the sense that the problem in my riding I am about to describe came to my attention as a surprising first assignment as a member of parliament immediately following my election in Hamilton-Wentworth last October 16. The sadness I feel this afternoon stems from a personal investigation of a CMHC horror story and a first-hand feeling of the helplessness and frustration experienced by many of my constituents. My anger mounts when I realize that the situation I am about to describe is not confined to one condominium development sliding into a ravine but to several other badly executed housing projects in Hamilton and, indeed, across the country.

The countless other horror stories which are coming to light in this debate may not be as spectacular as 100 Quigley Road in east end Hamilton, but the principal failure of the federal government's role in this near tragedy for my constituents is typical of the chaos which has enveloped CMHC because of inadequate inspections and the use of substandard building materials.

Like other hon. members on this side of the House, I want to go on record as saying that the bill before the House contains many good features, some of which are long overdue, but I also wish to register the concern of my colleagues on this side of the House that these National Housing Act amendments deserve, indeed, demand, close scrutiny in the standing committee, although I am beginning to wonder whether we members of the opposition will have much opportunity to carry out the kind of detailed examination needed. This has something to do with an election, and that is why I am taking this opportunity this afternoon to raise a particular concern of mine relating to this bill, namely, the program which will replace the Assisted Home Ownership Program. I want to get my experience and the very real worries of my constituents on the record now so that the government will be in no doubt as to the official opposition's criticism and suggested remedies once we hit the campaign trail.

AHOP was, and is, a good idea. It is the government's execution of that idea which has created so many problems across the country. AHOP has succeeded in making affordable housing available to people who normally would not be able to afford to buy homes, even if the Minister of Industry, Trade and Commerce (Mr. Horner) calls owning one's own home a luxury. That is not our view, and notwithstanding the comments made by the hon. member for Westmount (Mr. Johnston), there are countless hundreds of thousands of Canadians in the middle and lower income brackets who are tenants and whose dream it is to own their own homes some day. My leader's mortgage interest deductibility proposal, as has been pointed out in this debate, is aimed at that vast and important constituency. People are responding to that constructive proposal, which offers them hope of achieving their dream.

And so did AHOP offer hope, but in the government's haste to cash in on the building boom of the mid-1970s and the desire of people to own condominiums, that hope has long since turned into financial and personal nightmares for too many Canadians who took this government and its program at their word. As some of my colleagues have pointed out, it is the same thing all over again: inadequate inspections, disgraceful construction and design, and the use of substandard building materials.

I will deal in a moment with the charge of the Minister of State for Urban Affairs (Mr. Ouellet) that we on this side of the House are raising only isolated incidents.

Let me tell the House how I first came to learn of what I thought was just an isolated incident at 100 Quigley Road in Hamilton. The very first weekend following the October 16 by-election I received an urgent message through my Stoney Creek constituency office from Mr. and Mrs. Keith Parks. When I called back, they informed me that several units in their condominium development were slowly sliding into a 50 to 75-foot deep ravine. Apparently the units had been built too close to the edge of the ravine, and the developer had not packed down properly some 13 to 17 feet of fill. Furthermore,

he used inferior chemically-treated fill. This resulted in soil erosion, then cracks and, finally, a fear on the part of several tenants that one more winter of weighty snow or an accompanying heavy spring run-off, and whole back yards, patios and family rooms could end up at the bottom of the Red Hill Ravine.

The physical threat to the tenants of 100 Quigley Road, not to mention all the little kiddies who were playing around the edge of that erosion, was frightening enough, but Mr. and Mrs. Parks had another incredible piece of news for me.

The condominium tenants were under a city of Hamilton court order to effect immediate repairs to the erosion. Construction was to begin not later than November 22, 1978, and it would cost $30,000. Failure to meet the deadline and complete these repairs would result in a $10,000 fine being levied against the condominium owners. In any event, I was told that the people at 100 Quigley Road were to be assessed an extra $200 per unit on their mortgages. Being hit with that news during the Christmas shopping season, needless to say, had these folks mighty upset.

The question to their new member of parliament was what could I do to convince Ottawa that none of this was the fault of the condominium owners, and was there a possibility of a $30,000 federal grant or loan until the repairs were carried out? The owners eventually settled on a loan. They were determined to pay it all back. My first reaction on hearing this story, frankly, was that of a television newsman: "What a visual story this will be!" Did anybody else know about 100 Quigley Road? No, said Mr. and Mrs. Parks, people were afraid to let the media know about their plight because the resulting publicity could damage the credibility of their housing project, but would I please come and talk with the unit owners and see the situation for myself?

I agreed to treat this first case as a member of parliament on the confidential basis that the public comes to expect from its elected representatives. However, there is one element in my journalistic background which I could not set aside. In a case like this I felt it vitally important to conduct a personal investigation into both sides of the story. This I have done in connection with this case. One hundred Quigley Road started as a rental townhouse project in 1974. Like so many other housing starts, this was during the boom of the mid-seventies, those halcyon days which the Canadian construction industry remembers now with misty eyes. At any rate, in 1975, 100 Quigley Road quickly changed to a condominium project called the Wentworth Condominium Corporation No. 20, registered in September, 1975, and including 150 units.

● (1540)

The financing was originally a blanket mortgage through CMHC. It was replaced with individual CMHC mortgages, and by the end of 1975 all the units were occupied. That is a point to which I will come back a little later.

It was during the spring of 1976 that a soil erosion problem became evident. The land fill behind several of the units on the north slope of the ravine began disappearing, and finally things began happening in the units themselves as they settled. By September of 1978 a crack had appeared in the ground within seven feet of units 62, 63 and 64, and the land started to slide. Cracks also appeared in the basement of the affected units. Second floor toilets leaked through the vestibule ceilings, and family rooms began to sag.

Consulting engineers were immediately retained to analyse the problem, and in the meantime Hamilton's building department issued a court order to make the north slope between units 54 to 62 more stable. I should point out that the units in question were built on the north and west slopes of that ravine. The north slope is the most precarious; the west slope could withstand this and perhaps next winter's snow, but inevitably several other units face a similar caving in. The consulting engineers' report made recommendations for shoring up the units, at a cost of $30,000 for the 150 unit owners. The north slope needing immediate repairs would cost $18,000, the west slope would require $12,000 worth of restoration.

That news hit the 100 Quigley Road condominium tenants on October 16, 1978. By this time, my newsman's sense, I must admit, was getting the better of me. I have kept 100 Quigley Road a private matter, but by now, several members of the Wentworth condominium board of directors and I felt that no useful purpose would be served by keeping this scandal quiet any longer. I decided to raise the matter in the House of Commons and let the media take it from there to the public. Frankly, what spurred me on was the Virginia Drive project raised by my colleague, the hon. member for St. John's East (Mr. McGrath). In December, during the question period, the Minister of State for Urban Affairs had roundly castigated my colleague for raising the matter, saying it was just an "isolated incident". The minister knew then, and he knows now very well, that Virgina Drive was anything but an isolated incident involving CMHC funded housing projects.

If Virginia Drive was an isolated incident, then why did one of his senior CMHC officials tell me that even if the corporation could lend the Quigley Road people the $30,000 to shore up the ravine, he refused on the grounds that:

It would open up the flood gates to similar requests across Canada.

The Minister of State for Urban Affairs, in his answer to my question one day in the House of Commons, said "yes", that was why he turned down a grant or loan to the people of 100 Quigley Road.

Hon. members on the government side will probably think that we in the opposition—and I, specifically in these remarks—have been embarking on a CMHC bashing exercise by raising the kind of situation I been have discussing. That is not the case, Mr. Speaker.

What really made me realize that we are on the right track to detail cases such as 100 Quigley Road in Hamilton and the Virginia Drive problem in St. John's, Newfoundland, and pursue the government for its sheer negligence in these situations, was a chance meeting I had during a brief vacation in January. By staggering coincidence, a young couple staying at our hotel in the Caribbean used to live in the city of Hamilton.

It was several days before I discovered that the fellow with whom I had had several casual conversations was an inspector with CMHC and in fact had worked on projects in and around the Red Hill Creek area of Hamilton, including 100 Quigley Road. He could not be certain that the units which were sliding into the ravine had been his exact responsibility, but he knew the CMHC personnel on site at the time. What he told me, on a not for attribution basis, confirmed my worst suspicions about why these, and who knows how many hundreds of other AHOP customers, have been going through incredible inconvenience in recent years. I should point out that the CMHC inspector in question now works in another part of Canada, but his memory is vivid on the corporation's role regarding 100 Quigley Road.

This inspector told me that an initial on site inspection of the location, the plans, and the construction of a CMHC approved projects, was always supposed to be followed up by supplementary visits. However, during this particular period in the mid-1970s, when there was a real construction boom and many hundreds of condominium projects were being thrown up, CMHC simply did not have the manpower available to carry out their supplementary inspections. My informant says that he cannot understand how he or his fellow inspectors could have missed the danger signals which were so apparent with the construction of these units at Quigley Road so close to the edge of the ravine. He is certain that a supplementary visit by a CMHC inspector, indeed two or three supplementary visits, would have discovered the slipshod methods being used in the land-fill procedure to shore up the rear of the units. But, he said, "obviously, somebody wasn't watching what was going on."

That, to me, is a pretty damning indictment of the lack of responsibility assumed by the federal government housing agency. My informant went on to explain that there were several other projects in the east Hamilton area going on at the same time and that I would probably discover similar, if not as spectacular, cases as 100 Quigley Road. He was reading my mind, because shortly thereafter I brought the Red Hill ravine problem to the attention of the Hamilton media when I, along with other Hamilton area political representatives, began receiving complaints and horror stories from nearby condominium projects, all of them initially financed and inspected under AHOP.

Let me introduce to you very briefly the case of Mr. Godwin Charles who lives in unit 26 No. 11 Glen Vista Drive, about half a mile away from 100 Quigley Road. Mr. Charles outlined a weird problem he was having in his kitchen and invited me to drop around and experience for myself what had become for Mr. Charles and his family an intolerable situation. It was on a clear, cold Saturday afternoon in late November that I visited unit 26, a fashionable, comfortable, indeed cosy looking split-level condominium unit on Glen Vista Drive. It was cosy looking, but anything but cosy feeling.

As you enter the front door and go down a small hallway, you come upon a very compact and comfortable looking living room. There is a half flight of stairs to another hallway on the mezzanine level which has a dining room and leads to several bedrooms. But at the top of the stairway is the kitchen, which is built over the garage, and looks out on to Glen Vista Drive. The kitchen is positively frigid, a good 20 degrees cooler than the rest of the house. I can hear hon. members interjecting and asking, "How cold was it?" It was so cold that liquids under the kitchen sink froze if left there for just a few hours, so cold that you could feel the wind blowing through electric light sockets. The Charles' cannot heat anything on their stove, even with the burners turned up full because of the blast of cold air that is coming down through the vent above the stove.

An hon. Member: That's really cool.

Mr. Scott (Hamilton-Wentworth): Ah, you say, that is because the kitchen is built over the garage, and any kitchens built directly over enclosed garages are likely to experience this drop in temperature, or the windows are not fitted properly and the cold is seeping into the kitchen that way, or maybe there is faulty insulation under the kitchen floor or in the walls facing the street. I was astounded to learn two things; neither of the obvious faults that come to mind was apparent in the case of Godwin Charles' kitchen; and that his unit was one of many up and down Glen Vista Drive experiencing the same insufferable inconvenience. Not only was it an insufferable inconvenience, but an expensive one. The cold air which fills the kitchen sweeps down the small staircase and makes the sitting room below quite uncomfortable. Only the bedrooms are liveable, but in the meantime the heating bills of the Charles' family and their neighbours on Glen Vista Drive have skyrocketed since this problem was first discovered more than a year ago.

Hon. members might be interested to know that I personally checked out each of the possible design faults which would result in the freezing kitchens. The covered garages immediately below the kitchens are warmer than the kitchens. There is plenty of insulation in the walls of the garage and in the ceiling immediately below the kitchens. Some of the unit owners have even taped clear vinyl coverings inside and outside the windows to cut down on the cold but without luck. Explanations have been offered that a kitchen located below a garage with a sloping roof inevitably causes temperature problems.

● (1550)

In any event, now it is up to the individual condominium unit owners, on top of the $42,000 price tag on each unit, to invest what they can or must to rectify this most unusual problem, which clearly is either a design fault by the builder, inferior insulation material, or both. As in the case of 100 Quigley Road, it is the buyer who gets caught between faulty design, materials and inspection on the one hand, and a passing of the buck between one level of government to another, and to another, when it comes to redressing these totally unexpected and highly unjustified inconveniences experienced by these home owners.

The entire AHOP program from the outset should have been labelled like cigarette packages which warn of danger to smokers' health. Every AHOP project should have been labelled, "Buyer beware." Had many of my constituents known the inconvenience and heartache they were about to experience when they took advantage of the federal government's generous offer to assist in their home buying, they would not be living in 100 Quigley Road or in No. 11 Glen Vista Drive today. Indeed, many of them no longer live there.

At Quigley Road 32 owners have defaulted on their mortgages. It is small wonder. The units at 100 Quigley Road were all purchased in 1975 on the AHOP program. A reduced mortgage was paid for the first five years. Mrs. Parks complains that she is paying $233 a month for her three-bedroom unit, and without AHOP she would have been paying $353 a month. That is fine, however, but by 1980 she will have to start paying the higher rate and will owe 120 per cent of the original value of the unit, or about $9,000 more. One must add to that prospect the escalating levy to each unit owner to effect repairs or maintenance because of poor quality workmanship inside the units and on the landscaping.

The value of the units at 100 Quigley Road will not exactly be bargain basement prices for house hunters. By 1980, when the payments suddenly increase and owners start to find that they owe 120 per cent on their homes, a tidal wave of defaults may start to occur. It is an awful prospect, and by 1981 perhaps 100 Quigley Road will be a ghost town. I wonder how many similar potential ghost towns, or how many hundreds of other 100 Quigley Roads there are across Canada. That is why I was so angry when the Minister of State for Urban Affairs had the unmitigated audacity to suggest the situations raised by the hon. member for St. John's East and the hon. member for Surrey-White Rock (Mr. Friesen) are isolated incidents and are not indicative of the government's excellent federal housing policy. One just has to ask the people of Quigley Road or Glen Vista Drive how isolated they feel right now.

Like the constituents I represent, I guess my real sense of frustration lies in the lack of responsiblity which the federal government feels it should take in situations like 100 Quigley Road. As a reporter I became sick and tired of buck passing between one level of government to the other. As a member of parliament, not just reporting on the plight of people caught in the bureaucratic web but representing them, I am even more exasperated at the failure of the federal government to live up to its responsibility. My people in Hamilton, and untold thousands of other people in hundreds of projects across the country, believed in the government's promise to make it easier for them to acquire their own homes. They were not told they would have to contend with city bylaws, provincial conservation authority regulations and, above all, improper inspection and negligence on the part of the federal government's housing authority.

I, and the minister, know that the entire blame for situations like 100 Quigley Road does not lie at the feet of the Central Mortgage and Housing Corporation. In this case the local contractor, Lucille Investments Limited, and the city of Hamilton building inspectors, share some responbility for the problem. According to city bylaws, two or three of those units should not have been built at all. Authorization was made on the basis of drawings and not by on-site inspection. In 1975 when the builder applied to make the units at Quigley Road into a condominium project, the provincial conservation authority reported that the project should be rejected because the homes had to be built not closer than 25 feet to the edge of the ravine.

The case I am making against CMHC basically is one of moral neglect of the owners, who originally were enticed by the corporation into buying these homes. As I have pointed out, the method of inspection by CMHC is spotty at best, and to repeat the words of my CMHC inspector friend, "Somebody was not watching what was going on."

Typical of the government's attitude is the following quote from a letter which the Minister of State for Urban Affairs recently sent to Mrs. June Collins, the director of the Quigley Road Condominium Corporation:

> Unfortunately, there is no authority under the National Housing Act which would permit Central Mortgage and Housing Corporation to make a grant to your corporation to cover the cost of the necessary remedial work. I regret that CMHC is unable to be of assistance in resolving the soil erosion problem.

The minister described the Quigley Road problems as being "unforeseen expenditures". Members of the House cannot imagine how much at a loss these condominium owners feel when they receive this kind of reply from a minister of the government. Perhaps if anyone is listening on the government side they will understand how infuriated I am that good and decent people, like those I have met at 100 Quigley Road, should find themselves in a physical and financial bind over which they had no control, in the first place, and for which they should not have responsibility now.

Surely the bottom line to this litany of personal tragedies and disasters recorded during this debate is some responsibility on the part of the government. Surely the minister has some compassion for what we on this side have shown are not isolated incidents but regular occurrences in the government's national housing agency. The minister must realize CMHC is in a mess, and that a full public accounting is needed before even more millions of taxpayers' dollars are wasted on this corporation. It is nothing short of a political tool of the government. I conclude by referring to the lead editorial in the February 3 edition of the Hamilton *Spectator*: "It's time to evaluate CMHC".

Some hon. Members: Hear, hear!

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I will add another chapter to this debate, one of sorrow and bungling. It demonstrates what the government has accomplished in the last ten years since it professed to be the champion of the just society in 1968.

I do not wish to take away from the thrust of the argument I will make, the argument of the poor people who comprise 20 per cent of our population. These people hoped the government would fulfil its promise respecting housing. I do not want to

take away from the thrust of this argument, so may I call it four o'clock?

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

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

The Acting Speaker (Mr. Ethier): Item No. 9, the hon. member for Burnaby-Richmond Delta (Mr. Siddon). Shall the item stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Ethier): Stand by unanimous consent.

Item No. 13, the hon. member for Prince George-Peace River (Mr. Oberle). Shall the item stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Ethier): Stand by unanimous consent.

Item No. 15, the hon. member for York Centre (Mr. Kaplan). Shall the item stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Ethier): Stand by unanimous consent.

Item No. 16, the hon. member for Esquimalt-Saanich (Mr. Munro). Shall the item stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Ethier): Stand by unanimous consent.

Item No. 17, the hon. member for Surrey-White Rock (Mr. Friesen). Shall the item stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Ethier): Stand by unanimous consent.

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CRIMINAL CODE

AMENDMENT TO RESTORE CAPITAL PUNISHMENT

Mr. Peter Elzinga (Pembina) moved that Bill C-219, to amend the Criminal Code (death sentence), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, in rising to speak to my private member's bill, Bill C-219, I share with the House that the intent of this piece of legislation is to reinstate capital punishment for crimes of high treason or premeditated murder.

● (1600)

On July 14, 1976, this House abolished capital punishment under legislation known as Bill C-84. It is interesting when we review the vote on third reading to find that there were just six votes difference, an extremely thin margin. I spoke on third reading at that time and stated it was a sad day for participatory democracy because surveys indicated at that time, as they still indicate today, that 75 per cent to 80 per cent of the Canadian people wished to retain capital punishment for premeditated and planned murder. To this date I still fail to understand what makes individual members of parliament feel their conscience is so much wiser than the collective conscience of the Canadian people.

It was stated in this House by members of the government party that we were to free ourselves in Canada of that ordeal known as capital punishment, but that is not the case. The government has not given the House any indication of what its plans are regarding the introduction of amendments to the National Defence Act. I understand this act presently provides capital punishment for 36 offences, some of them as strange as an individual getting drunk while on watch. We do not have total abolition in Canada simply because this act has not been amended and there are these provisions contained in the National Defence Act. I would appreciate very much some guidance from government members as to what the government's intentions are in dealing with the National Defence Act itself. We find that we are discriminating against one segment of our society in the armed forces because of this provision for capital punishment still in the legislation.

Capital punishment is not an issue in respect of which party politics should become involved. It involves a decision that individual members in this chamber have to make within themselves, and vote accordingly. It is imperative that we truly have a free vote in this chamber, not only like the vote in 1976. It was supposedly free, but in reality it was not. We saw cabinet members en masse vote for abolition of capital punishment, but it was obvious to me when watching the voting on the other side that some disciplinary action, even though it was not overly obvious, had been taken in regard to some of the backbench members as well.

An hon. Member: Not true.

Mr. Elzinga: If we are to have a truly free vote in the House of Commons it should be conducted as it was in 1966 when four private members sponsored a bill at that time, without any obligation on the cabinet or any member to support a piece of government legislation, as was the case in respect of Bill C-84 in 1976. That is the commitment the leader of this party has given to the Canadian people, that we will have a

truly free vote on this issue in the House of Commons by allowing a vote on a private member's bill, or a series of private members' bills on which each and every member of this House would have a free vote. Members will have no obligation to support government legislation because it will be a private member's bill and we will have freedom to vote for the reinstatement of capital punishment or the retention of abolition.

I also found it somewhat surprising to note the attitude of members opposite in dealing with the referendum legislation. They wish to go to the people on a question as to whether they wish to see our country separated. It is obvious to me there are very few people in this nation of ours who wish to see Canada separated. They want to hear the wishes of Canadians on an issue like this, but are not interested in hearing what Canadian people have to say on an issue like capital punishment.

As I said earlier, it is a sad day for participatory democracy when members opposite close their ears to a pressing issue such as capital punishment, a very emotional issue to the majority of Canadian people. I am truly puzzled how an abolitionist can feel that his own conscience is so much wiser than the collective conscience of the Canadian people.

The incidence of violent crime in the past ten years has increased dramatically. We cannot go back just to the period of 1976 when capital punishment was abolished in this House, because in essence it was abolished in 1965 by this government. No one has been hanged in Canada since that time. Abolition may not have been approved by legislative authority before 1976, but since 1965 this government has not carried out capital punishment for any capital crime.

The evidence is inconclusive as to whether capital punishment is in reality a deterrent. Any discussion of the merits or otherwise of capital punishment goes beyond the area of politics and each person makes up his own mind according to the dictates of his conscience and his judgment.

The abolitionists claim that capital punishment is not a deterrent to would-be murderers. In my opinion this is an empty argument and completely beside the point. There is no way to determine how many murders were not committed by those who wanted to commit the act, but did not, for fear of execution. The question should be, does the supreme crime demand the supreme penalty? In effect, do we place the highest possible value on the life of the victim?

The abolitionists say capital punishment has no deterrent effect. There are no facts to prove it one way or the other, but to say that the death penalty is no deterrent is to say that men do not fear death. I find that to be a rather incredible assertion. Fear of death, in my view, is an instinctive reaction. I would ask how many of us in this chamber do not value or fear for our lives? Life is regarded by man as a precious possession which he wishes to preserve more eagerly than anything else. He would, therefore, defend it to the utmost against every threat, including the threat of capital execution.

There must be a serious and real risk of execution for the death penalty to be an effective tool, because crime will not decrease until being a criminal becomes more dangerous than being a victim.

The abolitionists usually state as an argument in favour of abolition that a mistake can be made in carrying out capital punishment. Although this is a valid comment, it is not a valid argument in a debate on capital punishment, because what we are discussing now is what the price should be for an individual who commits premeditated or planned murder. We are not arguing or discussing the merits of our judicial system. If there are errors in that area they must be safeguarded against; but that statement is not a valid argument in this debate because, as I said, what we have to resolve here is what to do with an individual who has been found guilty of taking another individual's life intentionally.

The very individuals we ask to give us protection deserve protection themselves, and I speak mainly of our police officers and prison guards. If what is known as capital punishment today is not reinstated, our friends who do such a superb job of law enforcement will have no protection whatsoever. What will a criminal imprisoned for life have to lose if he kills a prison guard? In reality, he will gain his freedom if his bid for escape succeeds; if he does not, he loses nothing. If capital punishment is not reinstated the prisoner in reality has nothing to lose and a great deal to gain.

I believe in capital punishment for all premeditated or planned murder, which makes up approximately 1 per cent of the murders committed in Canada. I believe it is the prime duty of the government to offer citizens protection against violent crime, and in my view capital punishment is a necessary tool to ensure that protection. That is why I have introduced Bill C-219 to amend the Criminal Code to reinstate capital punishment for premeditated and planned murder.

• (1610)

Mr. Jim Fleming (York West): Mr. Speaker, I appreciate being recognized and having this opportunity to add a few words to this debate. I want to say at the outset that I very much respect the right of any member of this House to express a view contrary to mine on this very controversial issue, and I respect their sincerity for that view. I know that the hon. member opposite who has brought forward this private member's bill has done so with the serious concern that the reinstitution of the death penalty will indeed bring better protection for the public in Canada. I cannot agree with that, and for that reason I would like to add some comments.

Back in the so-called minority parliament of 1972 to 1974, this House debated and then brought into effect a limited capital punishment bill which reduced the categories of murder that would lead to the imposition of the death penalty to the categories of killers of policemen and prison guards on duty. At that time I put forward, along with the hon. member for Saint-Denis (Mr. Prud'homme), outside this House a proposal, which I had hoped the government would take up, of total abolition.

I believe that in fact there are many other victims of this most terrible of all crimes other than policemen and prison

guards, who are less prepared and less aware of the risk within their lives and livelihoods of death. I speak, for instance, of assaults on children leading to death, kidnapping and death, and premeditated murder and death, although that can also be premeditated murder in the case of prison guards or policemen being killed.

At that time I brought the bill forward arguing, although I did not have the opportunity because of the system to bring it formally into the House, that what we needed was not the death penalty but more effective law, with very harsh penalties for a much broader segment of that most serious of all crimes, murder. The member for Saint-Denis and I proposed at that time substantially the same bill that the government later adopted when it abolished capital punishment in 1976. Had we acted earlier, however, we would have had for three more years what we have had since 1976.

As an abolitionist of long standing, I want to make it clear that I believe that we have a more effective law, stronger deterrence and better results for the Canadian public since the House abolished the capital punishment penalty in 1976. That law said that we would no longer have the death penalty on the books. If one measured all violent crimes on a yardstick, crimes of murder would be a very small proportion of that yardstick, and those crimes of murder which involve the killing of policemen and prison guards on duty would be a very, very small part of that measurement of murder out of the total violent crimes.

What we did was to change the law so that not only would the killers of policemen and prison guards on duty face the strictest of all possible penalties, short of society doing what it abhors most, the taking of human life. We said there would be 25 years before the consideration of parole—not released after 25 years, but 25 years before the consideration of parole, and then the possibility of parole.

In the original proposal made by the hon. member for Saint-Denis and I, we had not included the so-called "glimmer of hope" clause. The "glimmer of hope" clause which was in the law passed in 1976 says that after 15 years if one has had absolutely the highest kind of behaviour while in prison, that person will have a chance to go before a special board and have that term reduced to 15 years and then be eligible for parole. If that board of judges determines that this slim possibility can take place because of the prisoner's exemplary behaviour, the parole board can then consider parole. That parole board would have members on it from the constituency into which that convicted murderer would be released.

As an abolitionist, who first took up this cause back in the early 1960s when a journalist, and who covered the last hangings in Canada of two men called Turpin and Lucas, at the Don jail on, I believe, December 11, 1962, I think that society must have a principle beyond the emotions of any individual within that society. If we believe that we organize ourselves not only in order to care for each other and protect ourselves, but also to demonstrate to one another that we could each do better by recognizing each other, then surely a state that has reached that enlightened level should not endorse the taking of human life, which our criminal law books say is the most extreme of all crimes.

I must admit that facing the public as an elected politician both in 1972, 1973, and then again in 1976 on this issue, a public very concerned about increased rates of violent crime, I felt an obligation to offer them something that would not have society perform that most terrible of all acts and yet would give them some real assurance of an effective deterrent for this most terrible of all crimes. What we offered and what was passed as an alternative is a frightening imposition on any human being, no matter how terrible that human being is. To lock someone up for life, it has been argued in this House, is worse than having the state destroy them because, indeed, if you are incarcerated for life, what is human life? I only argue that we had an obligation to give the public some protection.

In the course of giving that very severe deterrent, 25 years before consideration of parole, with that "glimmer of hope" clause, we have in fact left ourselves as a parliament free to consider any revision or change in that, when parliament itself or those people who are concerned about the extremity of the penalty—and we all should be because that penalty is most extreme—can prove that that is not necessary and that we can protect ourselves and provide sufficient deterrent then, indeed, we can change the law from its present, very severe form.

The issue of deterrent is always the basic argument on the question of the death penalty. I had an opportunity to freshen my mind considerably on this subject a couple of days ago, along with a colleague of mine on this side of the House, a colleague from the other side of the House, a chaplain who in fact witnessed the last hangings at the Don jail, and a man for whom I have the greatest respect, the chief of police of metropolitan Toronto, Mr. Harold Adamson, when I taped a program for the Global Television Network. In the course of that debate—and I do not think that I am being unfair to my colleagues who attended, but they of course can review *Hansard*—I must say that when pressed it is impossible for either side to prove that the death penalty is or is not a deterrent. If anybody watches that program, and if I can plug it, it is running tomorrow night from nine o'clock to ten o'clock, they will find, and it was agreed, that it simply cannot be proved. Chief Adamson agreed with this position.

The hon. member opposite who preceded me said that people must have a fear of death and that nobody could tell him that it would not work. I believe that that is an emotional argument. The fact of the matter is that in 1889 Rhode Island abolished the death penalty, and Rhode Island has a lower murder rate than adjacent states which have had the death penalty for many more years. In California several years ago they took a referendum on the death penalty, the result of which indicated that people were overwhelmingly in favour of the death penalty, but in the months that followed, the murder rate in California soared. One would think that potential murderers, seeing that the death penalty is coming back, would fear that, but that is not the case. I am simply saying that the deterence argument is neither valid for me as an abolitionist nor for the retentionists. It cannot be proven. And

if it cannot be proven, then surely we should not, as a state, be taking human life.

I also had an opportunity to discuss this matter at a national convention of my party about three years ago. I am proud to say that at that convention my party voted, albeit by a very narrow vote, for abolition of the death penalty, but at the same time said, "We want tougher laws to deal with the broad range of murder where in fact they could be paroled in six, seven or eight years, and now in fact face 25 years". At that particular session I described how, if I personally suffered the murder of someone close to me, such as my wife or a member of my family, that I could not imagine any other reaction within me than a desire either personally or to have the state not only erradicate that person but probably torture the individual and stretch him from limb to limb. But, again, we are human beings, and we have our own emotions and concerns. Therefore, I would not expect any other reaction from the most sensitive of human beings, and I do not claim to be that. What I am saying is that the state must represent a higher order than each of us as individuals could represent at a particular moment of duress or concern.

Over the years the issue of the death penalty has prompted many police officers and organizations of policemen to come forward and lobby politicians to reinstate the death penalty or, when it was in existence to make the death penalty more severe. I would like to refer to some comments I made in a speech on this subject in 1976, as they are reported in *Hansard* at page 13244.

● (1620)

I have the greatest respect for Canadian police forces, for the RCMP, and certainly for the police force in my own area of metropolitan Toronto, but in all fairness it should be pointed out that police officers and prison guards go into their work knowing the risks they face and they are trained to be prepared for those risks. I am arguing that the law as it is now constituted simply does not seem to be fair. If we investigate statistics of the average of fatalities on the job for 10,000 employees in Canada from 1964 to 1973, the highest on the job fatality rate is for miners. The second highest is for loggers, then fishermen, transport workers, labourers, and police officers rank sixth.

If we consider the jeopardy of these fine men and women police officers who protect us, if we can stand back from the emotion and look at the situation objectively, we must admit that the risk of losing life in their work is less than for many other people in our society.

I shall not go at great length, Mr. Speaker, because several other members want to discuss this problem. There are two other areas I should like to touch on, however. First is the record of the rate of murder in Canada in recent years. In 1974 the murder rate per 100,000 people was 2.4; in 1975, 2.8; 1976, 2.7; and in 1977, 2.7. The death penalty was abolished in 1976, but the murder rate remained the same the following year, and in 1976-77 it was marginally less than in 1975. In 1974, it was lower than in the following three years. Surely that suggests that the death penalty does not have a direct effect as a deterrent.

The second thing I wanted to deal with is the statistics which suggest that in recent years in Canada 86 to 90 per cent of violent crime is armed assault, and assault. Of the 86 per cent of violent crime, murder represents only a small percentage point. I suppose we can never really say "only", because taking human life by murder is extreme, and that is why I am an abolitionist.

[Mr. Fleming.]

The public, not having had the time or opportunity to look into this issue thoughtfully, and learning about violence in our society, believes that the death penalty is the fast answer to their fears about their well-being and the state of our society. I do not believe the general public even knew, when we had the death penalty, who could be hanged and for what crimes.

The old provision of the death penalty for the killers of police and prison guards on duty, was not a protection for them at all. Very few were murdered, but for some there was a great danger of assault. In 1976 a parallel bill was passed which strongly toughened the penalties for the lesser and more numerous crimes of assault.

It might help if we could take the Canadian public, group by group—and I am not being condescending but rather pointing out that it is our job to be thoughtful about an issue and do what we think is responsible and effective as I believe we did with the bill in 1976—and explained that the laws are tougher, and more convictions are being obtained for the broader range of violent crime.

I think I shall leave it at that, Mr. Speaker, except to argue that I will be saddened indeed if this issue is not discussed objectively in the coming election campaign. We have a responsibility, no matter what party we belong to, when affairs of government are so confusing and life has so much tension, to explain the issues to people, with intelligence and knowledge.

Sir Robert Mark, the former superintendent of Scotland Yard in Great Britain, said he was not terribly concerned about whether Great Britain executed people or not. He said he had a great deal of difficulty getting convictions because in this modern society, where there is real concern about taking human life, juries disagree. As a result, the accused is often incarcerated on a manslaughter charge or convicted of second degree murder with a sentence of six or seven years. He said that he would like to see the death penalty abolished and tough sentencing substituted so that they could get criminals off the streets.

With my reservations about the severity of penalties, that is the kind of broadly effective law that we have had for several years. It would be very sad indeed if this House were to change its position today, because there is wide misunderstanding on the issue and because the bill looks like a quick and easy answer to the concerns of the public.

Mr. S. Victor Railton (Welland): Mr. Speaker, I am very glad to be able to enter this debate today. I missed the debate in 1976, but I took part in the 1973 debate on the side of abolition. I think the suggestion that there was not a free expression of opinion in those debates is not correct. It was insisted in our caucus that everyone should vote according to his or her conscience.

It is correct to say that the death penalty is not a deterrent. This has been amply demonstrated in many surveys. A large prison near Detroit has probably more murderers on death row than any other prison in the world, and it is obvious that none of them would be deterred from repeating the crime by threat of death. Speaking as a doctor, I believe that a murderer has a unique personality. That is not to say that all of the potential murderers are in jail—there may be some here in the House of Commons who would like to do murder once in a while!

We should realize that people who will commit murder are not deterred by the fear of their own death. Murder is an action they take on their way to a certain goal, or it is the goal itself and nothing is going to deter them from the deed. If we realize that, we should also realize that all our finer feelings of civilization are wasted when we consider the role of the murderer except to say that if we take life, no matter whether by hanging or in any other way, we are causing death. This is rather an antithesis to our ideas of civilization. We must apprehend the criminal who has committed murder and make sure he is not released into society again. I believe in recidivism. The idea that people who have committed murder can be prevented from doing it again is an entirely wrong premise. Murderers are unique in psychological type. When sent to prison they act like model Sunday school boys. Murderers have attained their goal, so why must they act in any other way? Given the same set of circumstances, when released from jail, the whole psychological mechanism will be set in motion again and the cycle will be repeated.

● (1630)

As far as collective conscience is concerned, a point entered by the hon. member for Pembina (Mr. Elzinga), one cannot depend on that. Socrates advocated new knowledge, and collective conscience had him drink the hemlock. Our own religion was against the collective conscience of that day. Tyranny has always put down collective conscience. We had such things as the inquisition, and following that the reformation. It seems to me that one cannot depend on the emotional ideas and decisions of a people of a certain time in the world's history as being collectively correct, no matter whether it is acceptable to the majority or not. In that sense majority does not mean a great deal.

In my opinion parole for a killer is wrong. I do not believe that a murderer, because he has acted as a fine individual in prison for ten or 15 years, ought to be let out. I would not think of letting him out. In my view the only solution is to keep him in prison until he is harmless. The 25-year idea of imprisonment is fairly good, but not perfect. One must realize that the death penalty is not a deterrent. After the criminal is in prison one must make sure that he is not released. If he acts well in prison and performs some kind of useful work, he might have some degree of personal satisfaction. For instance, a criminal might be satisfied that he can make amends for what he has done. It seems to me this would give him some hope for life and maybe for the next life. I do not believe that release from prison is the solution.

It is very important that we do not subscribe to capital punishment as revenge or as a deterrent. Instead, these people must be taken away from society. But let them try to carry on some kind of life in prison or by doing some work that is satisfying to them, during which time they might make some atonement.

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, my intervention will be short. I rise to support Bill C-29 introduced by the hon. member for Pembina (Mr. Elzinga).

I would like to say that the wishes of the Canadian people should be expressed in this House especially when such a large number of people are in favour of capital punishment. Polls that have been taken reflect this opinion vividly. The hon. member for York West (Mr. Fleming) said the public have not had time to look into this subject objectively. I do not believe it. I do not believe the public at large would buy that statement. This subject has been to the forefront during our lifetime. People have watched closely the progress of the various bills presented in this House over the years. They have followed this subject more closely than any other. They very well know what happens to people on parole and to people serving life sentences. They have seen these things and they know exactly what is going on.

The hon. member for Welland (Mr. Railton) stated that the last vote on capital punishment in the House of Commons reflected a true cross-section of opinion. I wish it were the case that we could have a true vote in this House of Commons. I almost believed it would happen until I saw what went on in the last few days before the vote took place. I realize it is very difficult to obtain a true vote in this House when a bill is introduced. When it is a government bill it is put forward in the name of the government. We know immediately that there is cabinet solidarity. Cabinet solidarity showed up in the last vote taken on capital punishment.

In my opinion the only way one can have a free vote in this House is to have a vote on a private member's bill. Since it is not a government bill, cabinet solidarity is not needed and there are no pressures put on members, as has been the case in the past. Under the existing rules I realize we will not get far when it comes to having a vote on a private member's bill. The government will not let it go through. The government knows that all it must do is to sit for an hour and talk out a private member's bill so as to avoid having to do anything about it. Occasionally a private member's bill resolution goes through. I have had a resolution passed; it was so embarrassing to the government that they allowed it, but it was all more or less pre-arranged beforehand.

There should be some changes in the rules in order to give precedence and more weight to private members' bills. I am not just talking about a debate on capital punishment. A lot of good bills presented to this House by private members never get the full discussion or the precedence they deserve. I know it is embarrassing to government members to have to stand up and talk these private members' bills out, because very often they believe they are good and deserving of more emphasis than is given.

● (1640)

It would be much better, in my view, if some other rules could be devised to cover private members' hour. As things are, not many members take the trouble to attend because they know bills will be talked out in any event and that they will not be called upon to make a decision. I think it would be much better if we were to adopt a system as is followed in the United States where a private member's bill means something to its sponsor, to his constituents, and to the people.

The subject now under discussion is of importance to the people of Canada. My own experience is that since the last vote on capital punishment was taken in the House, public opinion has hardened on the issue. I would have thought that a decision having been made, people would have softened their attitude. But this has not happened. For instance, only a few weeks ago a radio station in my riding put out an editorial on capital punishment, fairly early in the morning. Then the phone lines were opened and listeners were invited to say whether or not they favoured capital punishment. The lines were open for about half an hour and the station received 110 calls in that time. This shows how important people feel the subject to be. Over 90 per cent of those calls was in favour of capital punishment. That has been my experience, too. Public opinion has hardened, and I believe it is time this subject was raised by way of a private member's bill. Maybe the government will allow the issue to be decided in this way once and for all.

Mr. Roger Young (Parliamentary Secretary to Solicitor General): Mr. Speaker, I want to make a few points. The hon. member for Pembina (Mr. Elzinga) introducing this bill, said it would bring back the death sentence only in cases of treason and premeditated murder. However, the explanatory notes to the bill talk about its purpose being to impose the death sentence in all cases of murder.

Along with the hon. member who has just spoken, he made the point that the vote which took place in this House three years or so ago on the subject was not a free vote. I think it is about time all of us in this House, and anybody in this country who is left to doubt, ought to admit that this was a free vote. It was a free vote by all members of parliament standing up on their own initiative and voting yes and no as they felt fit, and as their consciences dictated. That point bothered me a little because I have heard comments of that kind before from Conservative members. They try to label the vote which took place as being other than a free vote.

Let me point this out to the hon. member for Pembina. My hon. friend from Bruce-Grey, who has since become a parliamentary secretary, voted at that time to retain the death penalty. I, who last year served with the minister of justice who succeeded the minister of justice who presented that bill, voted retentionist. But it did not prevent either of us from becoming parliamentary secretaries. My hon. friend from St. Catharines, who also serves as a parliamentary secretary, voted with us. Some of the other parliamentary secretaries voted for abolition. They voted as free men with free consciences, with no one in this party dictating to them or twisting their arms, or trying to put pressure on them in any way. Let us settle that question once and for all. We can go back, in our individual ways, and explain the stand we took to our electors if the matter comes up in the campaign. Let us not try to make a party political statement out of something which did not occur in this House.

Mr. Elzinga: On a point of order, Mr. Speaker, I think the last statement made by the hon. member has as much validity as his first statement with regard to my bill. It is obvious he has read only the first sentence and none of the clauses which define the offences in respect of which we hope to reinstate capital punishment, that is, high treason and premeditated murder. It is obvious the hon. gentleman is confused on that issue as well as on the issue of whether there was a free vote on that side of the House.

Mr. Young: I am not making statements and generalities, Mr. Speaker. I think I have proven my point. I have given examples, not only in my case but in the case of other members on this side. I might mention the hon. member for Skeena who is now a member of the cabinet who happened to vote in part the way I and some of my colleagues voted. I wonder where the members on that side of the House are this evening who voted abolitionist at that time and could be here in private members' hour today. Is this some kind of little game among members of the Conservative party? We know the Leader of the Opposition (Mr. Clark) has consented to allow a private member to bring on a bill to reintroduce capital punishment, without making any hard and fast rules on it, but are there some members over there who want to speak according to their consciences?

Mr. Johnston (Okanagan-Kootenay): I can answer the hon. member's question very quickly by saying yes, if he would allow me time in which to do so.

Mr. Young: I would be very glad to leave the hon. member some time to speak on the bill this afternoon. I heard comments during this discussion to the effect that the will of the Canadian people was not allowed to be carried out as a result of the vote which took place. The hon. member for Pembina says that according to a Gallup poll between 80 and 85 per cent of the Canadian public felt that the death penalty should be enforced. Mr. Speaker, I do not believe that the figures are 80 per cent or 85 per cent in favour of the death penalty. I have done some research in my own constituency, and I would be inclined to say they run somewhere in the order of 65 per cent in favour and 35 per cent opposed, but even then there are uncertainties expressed when people are asked what they really mean.

I sent out a newsletter at the time, balancing the arguments for and against the death penalty, and I invited my constituents to write to me on the subject. Of some 35,000 polled households in my riding which received the newsletter I got back some 700 responses. I read each of those responses several times. I read them the day they came in, I read them

during the course of the debate on capital punishment, on Bill C-84, the evening before I voted, and again before I voted in the morning. It was clear to me that even those who were very strong retentionists were saying that they did not really believe in capital punishment for all cases of murder, except in cases of premeditated murder.

• (1650)

People felt very strongly about the murder of policemen and prison guards on duty, and I shared some of those feelings. People in this country were telling me that they felt very strongly about others being killed through bombings, terrorism and hijacking. I lived in Europe a few years ago. I studied and travelled there. A couple of terrorist bombs exploded in a neighbourhood relatively close to where I was living. At one time windows in the little apartment in which I lived were shattered. I shared some of that concern. I do not want to get into explaining why or how I voted the way I did at the time, but those were some of the thoughts which were going through my mind.

We are asked this afternoon to consider Bill C-219, legislation to amend the Criminal Code with respect to the death sentence. The bill provides for mandatory death sentences in all cases of murder, and restricts the traditional authority of the governor in council to commute such sentences to cases where a jury or a majority of a jury makes a positive recommendation for clemency.

The bill also reintroduces some former provisions of the Criminal Code, such as postponements of executions of pregnant women until at least a few days after they have delivered their children, forbidding executions of those under 18 years of age, rights of appeal, methods of procedures for executions—which I note would be hanging—places of burial of executed persons, and so forth. It pains me somewhat to think that we would return to thoughts of executing a woman who had just given birth to a child and orphaning that child.

It may be said that this bill would turn the clock back to the situation which prevailed prior to 1960. It would turn the clock back to a situation which prevailed before the amendments which were brought in by the Hon. E. Davie Fulton, then minister of justice in a cabinet led by the right hon. member for Prince Albert (Mr. Diefenbaker). I think that was in 1961. Those amendments introduced a differentiation between premeditated murder and non-premeditated murder. We now have first degree and second degree classifications.

Today we are debating, for the fifth time in 13 years, the issue of capital punishment. What this bill would do would be to dismiss the decision taken by this House just about three years ago when I think almost half the members of the House individually participated freely in that debate, and when the House voted freely.

I know that one of my hon. colleagues opposite wants to speak. I will perhaps just summarize. All first and second degree murder cases, given the passage of this bill, would attract a mandatory sentence of death by hanging in the event of conviction, not only of those individuals found guilty of planned and deliberate murder, the murder of a police officer or prison guard or murder committed in the course of committing certain other crimes, but also those individuals convicted for spur of the moment crimes, crimes of passion, which have troubled many people, even the most ardent retentionists, for a long time.

One of the difficulties with this bill is the issue of leaving it to a jury to make a recommendation to the governor in council. The way it is drafted, this bill would require a judge to poll the jury on whether its members might make a recommendation for clemency or no recommendation. However, it does not give a jury any guidelines. It does not give any instructions to the judge for when he is instructing the jury. What would happen if jurors wish to remain silent? What would happen in the case of a 12-person jury in which four or five wish to recommend clemency and the other seven or eight are unable to make a recommendation? The bill says nothing about jurors wishing to remain silent.

I know from my practice of law over a limited period of time that when we had the death sentence for murder it was very difficult in many cases to get convictions, simply because juries were loath to think of the person on trial before them actually being disposed of by hanging. Juries could not face that in their minds, so they often convicted people of lesser crimes than first degree or premeditated murder.

I could go on and make a number of other comments. I have pushed the clock along somewhat more than I wished. I did want to leave my hon. colleague opposite some time in which to make comments, and I think I will stop at this point.

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, I appreciate the generosity of the hon. member opposite, who has left me all of two minutes for what may well be the last speech I will have a chance to give in this chamber, which I will be leaving.

It was the remarks of my colleague, the hon. member for Okanagan-Boundary (Mr. Whittaker), which moved me to speak. He will be returned to this House, and he needs no assistance from me in the coming election campaign on this subject, but being a member of generous heart I am prepared to offer him a little assistance because I know he was serious when he spoke in favour of and demanded a free vote in parliament. That means freeing members from party discipline and freeing them to vote according to their conscience on the issue at hand.

I also listened to the remarks of the hon. member for Pembina (Mr. Elzinga), who asked how a member such as myself could pit my conscience against public opinion on the cause to which he and the hon. member for Okanagan-Boundary referred. It is quite easy, because there is another test of the common sense of the public and that, of course, is in the decisions of juries in jury trials. I keep track of these. A jury at Kamloops, British Columbia, reduced the charge against the murderer of Patrick Charles Danchuk. The charge was reduced to manslaughter, and the accused was sentenced to four years. That is a test of the common sense of the public.

It is a truer test than the amateurish polls which are taken from time to time, because when 12 good people and true get together they express the public opinion. I suspect, had we returned to capital punishment, the jury in that case would have acquitted, as the jury would have acquitted in the case of Maxwell, who was murdered in Kelowna. There was a reduced charge also, through plea bargaining, of the murderer of Sadie Jones Edward at Sicamous, British Columbia. One can follow these cases. That is the true test.

I hope this parliament will not ever return this nation to capital punishment. I admired the courage of one Lowell Green for suggesting in the Ottawa *Journal* that in the future, if there are to be executions, they be televised publicly. I see no reason why they should not. We have allowed the monster of television into this chamber, and I do not know how we can keep it out of anything else it might be interested in getting into, including the courts. If this chamber, the highest court of the land, is televised, then every other court of the land should be televised so that the public can watch the process of justice, particularly in cases of murder. Then I think we would have justification for the vote which was taken in this House.

One notes, of course, that the murder rate dropped after the decision to abolish capital punishment. I believe we saved some lives, and not just those of murderers.

The Acting Speaker (Mr. Ethier): Order, please. The hour provided for the consideration of private members' business has now expired. It being five o'clock, this House stands adjourned until Monday at 2 p.m., pursuant to Standing Order 2(1).

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

HOUSE OF COMMONS

Monday, March 5, 1979

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

THE SEAL HUNT

RIGHT OF SEALERS TO FREEDOM FROM HARASSMENT AND INTERFERENCE—MOTION UNDER S.O. 43

Mr. James A. McGrath (St. John's East): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

If the House gives the necessary consent to my motion, I forgo the right to debate and I will also forgo the right to present the very substantial arguments supporting my motion. I therefore move, seconded by the hon. member for Bonaventure-Îles-de-la-Madeleine (Mr. Béchard):

That this House reaffirms the right of Canadian sealers to go about their legitimate pursuit under the strict supervision of the Government of Canada and the Canadian Federation of Humane Societies, free from harassment and interference.

Mr. Speaker: The presentation of such a motion at this time, pursuant to Standing Order 43, requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion moved by Mr. McGrath. Is it the pleasure of the House to adopt the said motion?

Motion agreed to.

* * *

AIR TRANSPORT

CALL FOR STATEMENT ON REPORTED DEFECTS IN COMMUNICATIONS PROCEDURES—MOTION UNDER S.O. 43

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I rise under the provisions of Standing Order 43. In June of 1976, Transport Canada's committee on air traffic services' operational interfaces with aeradio stations outlined serious defects in communications procedures relative to air traffic control centres and aeradio stations.

Since the committee described this situation as being clearly dangerous, and since the recommendations advanced by the committee have not been implemented, despite their strong expression of the urgent need for immediate action, I move, seconded by the hon. member for Central Nova (Mr. MacKay):

That a clear statement be made by the minister relative to this report, outlining the areas where recommendations have not been acted upon and the reasons for the minister's failure to act.

Mr. Speaker: The presentation of such a motion, pursuant to Standing Order 43, can be done only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

COMMUNICATIONS

BELL CANADA PETITION RESPECTING SAUDI ARABIA CONTRACT—MOTION UNDER S.O. 43

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I seek to move a motion under the provisions of Standing Order 43. On March 2, Bell Canada submitted a petition asking the governor in council to overturn the decision of CRTC that revenue from the $1.1 billion Saudi Arabia contract be treated as part of Bell Canada's ordinary revenues for regulatory purposes.

In view of the fact that the CRTC is supposed to regulate Bell's telephone rates according to the level of profitability of Bell's operations and the kinds of contracts and undertakings entered into by Bell Canada and their effects on Bell's earnings, and since Bell Canada has chosen to enter into this contract directly, rather than through a subsidiary operation, thereby making Canadian telephone subscribers liable through increased rates for any loss which might be incurred as the result of the contract, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the House recommend that the petition be denied.

Mr. Speaker: The introduction of such a motion for debate at this time can be done, pursuant to Standing Order 43, only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

● (1410)

[*Translation*]

HUMAN RIGHTS

REQUEST GOVERNMENT NOT USE INFORMATION ON INDIVIDUALS FOR WRONGFUL PURPOSES—MOTION UNDER S.O. 43

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with an urgent matter of pressing necessity.

Since it is now obvious that computer snoopers can easily obtain confidential information from national and continental data bank with startling easiness, as evidenced in an article in the *Globe and Mail* of today entitled: "Computer Snooper Finds It's Easy Work" in which an expert finds it easy to use computers to intrude in the private life of people; and considering that the Canadian government is increasingly dependent on that kind of data to obtain information on its citizens, I move, seconded by the hon. member for Lotbinière (Mr. Janelle):

That the House take necessary steps in the shortest possible time so that individuals may provide in all security the information required by departments without any fear that such information may be used for unlawful purposes.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

CULTURAL AFFAIRS

FUNDING OF CANADIAN COUNCIL OF CHRISTIANS AND JEWS—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise on a matter of pressing necessity concerning the Canadian Council of Christians and Jews, answers given by the Secretary of State (Mr. Roberts) to my recent order paper questions, and another matter related thereto.

I move, seconded by the hon. member for Hastings (Mr. Ellis):

That the government explain immediately the discrepancy between the answer to order paper question No. 293 which shows the total public funds given to the Canadian Council of Christians and Jews during the past year as $767,000, whereas the financial statement of the organization shows total receipts of the organization from all sources, including government and private contributions, to be only $749,000, of which $646,000 apparently came from private contributions; that the government make known immediately whether it is prepared to investigate whether or not renovation funds and rental funds paid by the Canadian Council of Christians and Jews for their new Toronto headquarters in any way came from government funds for premises located in Toronto in which a Liberal senator is reported to have a substantial interest—

[Mr. Speaker.]

Mr. Speaker: Order, please. Once again it seems to me the hon. member is working into the terms of his motion some facts in support of the proposition he wants to put forward. I think we must be very careful to confine the motion to a motion and leave the debate for later on, if it is accepted. The member seems to want to have it both ways; to put the motion and to put the arguments in support thereof within the terms of the motion itself.

Mr. Cossitt: Mr. Speaker, there is just one sentence left to the motion which I do not think is provocative:

—and, finally, whether certain directors of the council received bonuses of $2,500 from public funds.

Mr. Speaker: Such a motion can be introduced for debate at this time only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

IMMIGRATION

MEDICAL EXAMINATIONS FOR OFFSHORE LABOUR—MOTION UNDER S.O. 43

Mr. Robert Daudlin (Kent-Essex): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact the Canadian greenhouse industry relies heavily on the announced program of offshore labour and has required labourers thereunder since mid-February for planting, that labour for which contracts were tendered in January for mid-February arrival are due to arrive on Wednesday of this week, and that half of the same are being prevented from so doing by reason of delay in processing by Canadian medical staff, I move, seconded by the hon. member for Bruce-Grey (Mr. Douglas):

That this House instruct the Minister of Employment and Immigration (Mr. Cullen) to waive immediately the requirement of medical examination on-site and instruct his officials to admit all of those Mexican labourers currently ready to travel on Wednesday with a view to processing the medicals in Canada, so as to assure no further delay in planting and caring for the spring greenhouse crops takes place.

Mr. Speaker: Introduction of such a motion for debate at this time requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

GUIDELINES FOR NATIONAL COMMISSION ON INFLATION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Finance, who late Friday afternoon called a press conference which turned out to be his version of The Gong Show.

In announcing the formation of a National Commission on Inflation, the minister chose not to set any guidelines for the commission to follow respecting prices, wage increases or profit increases. Would he tell us what, in fact, are the guidelines the commission will be expected to follow? Or are we to assume that a price hike of, say, 50 per cent will not worry anyone on the commission?

● (1415)

Hon. Jean Chrétien (Minister of Finance): If the hon. member would read the commission's terms of reference, he would see that we want the commission to identify areas where there is danger there might be heavy pressure on inflation, thus endangering Canada's competitive advantage.

We do not expect the commission to look at all the settlements and price increases; we want them to identify the points at which there is pressure on the system. I have great confidence that the commission, under its chairman, Mr. Renouf, will be able to discuss such situations with the people involved and persuade them that in the best interests of the economy they ought not to proceed with increases which have been judged to be too great.

Mr. Stevens: The minister is no doubt aware that the Centre for the Study of Inflation and Productivity came up with some interesting observations about the source of inflationary forces in Canada, including the fact that one-third of last year's inflation was due to the fall in the value of the dollar alone and that much of the rest was caused by the high interest structure due to government policy.

In the light of these observations, would the minister tell us why he chooses not to listen to that body but prefers to turn to a new body which will, presumably, be much quieter and less embarrassing to the government?

Mr. Chrétien: I do not want it to be quieter, Mr. Speaker. I have responded to the wishes of the House of Commons that it be given greater powers of inquiry. This was not easy to do because of the relationship of that body to the Economic Council. However, we have adopted the recommendations of a lot of people who are interested in the subject by giving this commission the power of inquiry. I hope this will be satisfactory to the public. Everyone will be obliged to give information to this commission.

Mr. Stevens: If the purpose of setting up the National Commission on Inflation is not to bury the issue of inflation at least for the election period, would the minister tell us why the government has named Harold Renouf as chairman, bearing in mind that he was brought to Ottawa to bury the AIB? Is it not a fact that you want him to bury any meaningful dialogue on inflation in this country?

Mr. Chrétien: The hon. member wants to make politics out of everything.

Some hon. Members: Oh, oh!

Mr. Chrétien: Mr. Renouf came in at the peak of the board's activity. He ran the organization very smoothly for two years, in which he managed to gain the confidence of both business and labour. He is a very competent man, a very good administrator and he has a lot of credibility, something that is lacking in the hon. member.

Some hon. Members: Hear, hear!

Mr. James A. McGrath (St. John's East): We can all take a lesson in making politics from the Minister of Finance, because every time there is an election there is a new commission. We have had five of them since 1969, and in that period the rate of inflation has gone from 4.5 per cent to 9 per cent.

Will this new commission—this illegitimate son of the AIB—be reporting to the House, and hence to the public; or will it, as the minister suggests, be reporting only to cabinet where ministers may suppress its recommendations if they are not to their liking?

[*Translation*]

Mr. Chrétien: Mr. Speaker, we have directed the commission to report to the public when it deems appropriate to do so. It is within its terms of reference. Of course, once it has reported to the public, it will be free to report to cabinet but it is left up to its discretion to decide whether the abuses it might have found in the system ought to be made public or not. However, if after consultations and negotiations with the persons concerned, these people still refuse to work in the economic interest of this nation, I am convinced that the Renouf commission will release their names. At the same time, it will be able to make recommendations to the government and we shall study them but all its reports will be made public if it wishes.

● (1420)

[*English*]

Mr. McGrath: Mr. Speaker, apart altogether from getting another monitoring agency, which is the fifth such agency we have had, does the government have a strategy to hold down prices to complement the work of this commission? For example, in 1974 the government announced that they would be bringing in a strategy for food prices, a food strategy, and since that time food prices have risen by 50 per cent.

Is there any strategy within the government to complement this commission, especially to hold down food prices and restrain the Minister of Agriculture?

Mr. Chrétien: Mr. Speaker, we have discussed in this House many times the constraints we have to face with regard to food prices. There are many factors which come into play. There is the fact that we import a great portion of our food and that the price of that food is set at the international level.

I merely want to ensure that when there are price increases, the public is satisfied that there is no gouging by anybody. The commission will look into such matters and report on them. Of course, we must admit that there will always be some price increases in any market economy. We cannot impose controls on prices only and ignore other sectors of the economy. This is why we have decided not to reimpose controls and to expose all the facts to the public.

I hope that the hon. member will support such a move, because both parties on the other side were opposed to controls. We are not planning to impose controls. We want the market economy to operate normally, and this is why we are giving the public the instrument necessary to ensure that it will operate normally.

Mr. Clark: I think I have heard that before.

REASON NATIONAL COMMISSION ON INFLATION NOT EMPOWERED TO ROLL BACK PRICES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I direct my question to the Minister of Finance with regard to setting up the National Commission on Inflation.

Since this is the fifth body which has been set up in less than ten years to cope with the problem of inflation, and since the NCI is to have terms of reference which are almost identical with those given to the first commission, the incomes policy commission headed by Mr. John Young, and since that commission was a total failure in so far as holding down the cost of living was concerned, will the minister tell the House why, in the name of fairness and equity, he has not given this proposed commission the power to roll back prices where they find that there are unconscionable profits or deliberate gouging of the Canadian consumer? How can the minister expect a commission to operate sucessfully when he has already tied its hands behind its back?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, the government imposed controls in the fall of 1975. When I became Minister of Finance in the fall of 1977, we decided to get out of controls. I am not proposing that we get back into them.

The other problem is that you cannot give an institution such as this the power of rollback under the Canadian Constitution unless it is considered an emergency situation, and the government at this time has concluded that we are not in such a position.

Since we got out of controls in April, 1978, I recognize that generally speaking in the Canadian economy, both labour and management have shown a great deal of responsibility, and I think that we can hope for the best in the future if all facts are put before the public. We have set up this commission for one reason, and that is because CSIP did not have the power of inquiry. They were not given the power of inquiry because the first ministers a year ago said that they did not want CSIP to have the power of inquiry. The government has concluded that the power of inquiry was needed by CSIP, but as we could not give this power to CSIP we created a new institution.

• (1425)

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have a supplementary question. Mr. Renouf, chairman of the NCI, is quoted in the press as saying that this organization does not propose to require companies or unions to report quarterly on prices and profits, nor does it intend to have access to the confidential information in the possession of Statistics Canada.

Not talking about controls, but talking about gouging the Canadian housewife because of the fact that previous royal commissions have shown that the difference between the price the farmer receives and the price the customer pays in the store cannot be justified, I should like to ask the minister how he proposes that this commission or the government will find out who is gouging the public—whether it is the processor, the distributor, the wholesaler or the retailer—unless they get the information which Mr. Renouf says they are not going to require?

Is this body he is setting up not only to be toothless but also unable to see out of one eye and to be prevented from seeing out of the other one?

Mr. Chrétien: Mr. Speaker, Mr. Renouf, as head of the AIB, had two inquiries in the last twelve months about profits of the food chains and has seen that the profit margin is nothing abnormal according to the present situation. He will keep monitoring that situation.

Mr. Renouf said that he does not expect to use his power of inquiry very often because he found when he was managing the AIB that the great majority of institutions were quite willing to give him the information he needed. He has the power, however, and I am sure he will use it in cases such as, for example, the president of Dow Chemical and others who have said they will not report to anybody. Everybody will be obliged to report to him, and those who do not will be forced to do so under the law.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, a final supplementary question. What does this board have the power to do about specific cases of gouging? I would point out to the minister two instances of this. The first is the steel industry, where the workers settled for an increase of between 6 per cent and 7 per cent while steel industry profits last year went up from $196 million to $296 million, an increase of 45.6 per cent. The other instance is the banking fraternity, where high interest rates have resulted in profits going up by 34 per cent, or nearly $1 billion, and already in 1979 profits have gone up by 36 per cent.

What power does the board have in that situation? If the minister does not think it has the power to do anything, what

does he propose to do about calling in the steel industry and the banking fraternity and telling them they are the people who are pushing up the cost of living, and that they must do something about it? What is the government's policy, or is this board simply something to get them through the election because they intend to continue in their slothful state of apathy?

[*Translation*]

Mr. Chrétien: Mr. Speaker, we stated in the fall of 1977 that we would return to a market economy, and I do indeed recall that at that time the NDP and the Progressive Conservative party wanted a return to a market economy. That is what we have at present. As for certain aspects of profits, it is normal that companies make profits in a market system, as capital is entitled to dividends, the same way as workers. The question is to ensure that there are no abuses and that is what the commission will do. As for bankers, hon. members will recall, Mr. Speaker, that a few weeks ago, for example, a bank announced that it would raise interest rates for Chargex cards. Following our representations, it reduced these rates. As for bank profits, there was a problem in our system, that we called income debentures, and in our November 16 budget, we eliminated this system by which banks could make profits we found excessive, and the House will be asked to ratify this through the estimates that are presently before the House.

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NORTHERN PIPELINES

ALASKA HIGHWAY PIPELINE—POSSIBLE DATE OF CONSTRUCTION—DISCUSSIONS WITH PRESIDENT CARTER

Mr. Gérard Laprise (Abitibi): Mr. Speaker, my question is directed to the right hon. Prime Minister.

During his very recent trip to Washington, the Prime Minister seems to have obtained from President Carter the assurance that the American government will soon undertake the construction of the Alaska gas pipeline. Can the right hon. Prime Minister tell us whether, in addition to that promise, President Carter gave an idea of the date around which construction would start, and whether the American President asked something in exchange, such as shipments or exports of natural gas from Canada to the United States?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it must be understood that President Carter and myself share the same point of view on the whole energy problem. Recent events in Iran have shown us all, I believe, that the problem of the security of supply, the problem of prices can constitute a serious threat unless we take defensive steps and creative measures for the future. It is in that context that President Carter assured me that the American administration would do everything in its power for that pipeline to go ahead, and reassured us that there were no ulterior motives on its part because the urgency of the problem had been demonstrated over there just as it was here through the desire of both governments, his and ours, to put in place legislation that would allow us to have a rationing system eventually. We hope we will not have to do so, but the legislation is necessary. It is now before a committee of the House and we trust we will have the co-operation of all parties to expedite passage of that bill.

As for the question of the hon. member on something in exchange, the answer is no. We, of course, discussed eventual exports, but no new project or new contract has been signed or is being planned between the United States and Canada. I took exactly the stand that the Minister of Energy, Mines and Resources upheld here in the House after the report of the National Energy Board was published.

* * *

● (1430)

[*English*]

THE CANADIAN ECONOMY

NATIONAL COMMISSION ON INFLATION—EFFECT ON AGRICULTURAL INDUSTRY

Mr. John Wise (Elgin): Mr. Speaker, my question is directed to the Minister of Finance. Could the minister indicate whether it is his intention to extend the authority of the National Commission on Inflation to primary agricultural producers, and whether that authority will extend to provincial and national marketing agencies?

An hon. Member: What about Loto Canada?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, the authority is not restricted at all, but for cases which are under direct provincial government jurisdiction—for instance, settlement of price increases which come under the authority of provincial governments—the commissioner has been asked to get in touch with the provinces. I spoke twice with all the ministers of finance last week before making that arrangement. Most of them were very pleased and there was no objection from anyone. But in Quebec Mr. Parizeau wanted to consult his lawyer before replying to me. I think that is the only restriction that has been imposed on the commission. The problem of inflation concerns all Canadians in every jurisdiction.

Mr. Wise: Mr. Speaker, my supplementary question is for the same minister. He has been kind enough to indicate that the authority does in fact extend a great deal to the provincial marketing systems. Would the minister care to indicate whether or not it extends to the national marketing systems?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I said that no restrictions were placed on the commission's terms of reference empowering it to comment on all sectors of the Canadian economy. Its

members may obviously comment on these sectors, but the commission cannot force marketing boards or other agencies to reduce their prices or salary increases. Under its terms of reference, the commission can only try to convince them to do so and, if unsuccessful, to so inform the general public.

* * *

[*English*]

LABOUR DISPUTES

POST OFFICE—REPORT OF MEDIATOR-ARBITRATOR

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, in the absence of the Minister of Labour, I would like to direct a question to the Postmaster General. The mediator-arbitrator appointed by the House under the back-to-work legislation which terminated the postal strike was given 90 days to file the first report with the Minister of Labour. However, he has applied for, and received, two consecutive extensions to this deadline.

Why is the mediator-arbitrator applying for extensions, and are all parties to the dispute agreeing to the extensions? Furthermore, Canadians are interested in knowing the current status of the negotiations.

Hon. J. Gilles Lamontagne (Postmaster General): Mr. Speaker, I think the answer is rather simple. The mediator-arbitrator was nominated by Bill C-8 through the Ministry of Labour. According to the law, he has the right to ask for extensions to his mandate if he needs time to study the facts and to meet the people necessary in order to complete his arbitration award.

I think the question should be asked of Judge Tremblay as to why an extension was asked for. Apparently the mediator-arbitrator needs time to clarify a few items and to meet some people from both sides, namely, representatives of the employers and employees. I hope he will get his report out as soon as possible. I have no other answer than that, sir.

Mr. Darling: Mr. Speaker, according to the president of the Letter Carriers Union, Mr. Robert McGarry, Post Office management has "multiplied like rabbits" in the last ten years, turning the Post Office into an inefficient mess. Given the fact that according to Mr. McGarry the number of managers has increased by 500 per cent since 1968, while the number of workers has only grown by 50 per cent in the same period, I would like the Postmaster General to explain this gross discrepancy, and how does he justify it? Is the presence of too many chiefs one of the points of discontent in the Post Office?

Mr. Lamontagne: Mr. Speaker, I did discuss with the Deputy Postmaster General the allegation made by Mr. McGarry, president of the Letter Carriers Union. This was done in a very positive and constructive way—not like the allegation which the hon. member just made. We are a little puzzled about the figures Mr. McGarry gave. I would like Mr. McGarry to substantiate his allegation of a 500 per cent increase.

[Mr. Chrétien.]

ENERGY

REPORTED PROFITEERING BY WESTERN OIL COMPANIES—MINISTER'S KNOWLEDGE THEREOF

Mr. F. A. Philbrook (Halton): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. It was reported today that several Arab oil countries are concerned that western oil companies are profiting from unstable world oil markets. In fact, the term "ugly exploitation" was used. It was suggested they will be blacklisted if they persist, whatever that means. Does the energy minister know of anything in this regard? Does it affect Canada, and is he looking into the matter?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, I am not aware of any profiteering of that kind. As I have indicated in the House, there is always the possibility that trading companies could be trying to cream off profits in a way that does not necessarily assist the Canadian national interest. Indeed, I have made it quite clear if that was the result of the Exxon diversion, the Petroleum Compensation Board would intervene, it would check the invoices and ensure that any such higher prices would not be passed through or be compensated for by the Petroleum Compensation Board.

* * *

NATIONAL DEFENCE

CANADA'S COMMITMENT TO NATO

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Prime Minister. I would like to ask the Prime Minister if the subject of our broken financial commitment to NATO was discussed during his visit to Washington.

Last June, the Prime Minister promised NATO that Canada would increase its over-all defence budget by 3 per cent in real terms. Estimates now indicate a cut in real terms. Could the Prime Minister give an explanation to the House for this drastic shortfall?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the matter was not raised by President Carter. Obviously, he does not share the concern, real or feigned, of the hon. member.

As to the amount of the estimates, I do not have them at hand and I would have to defer to the Minister of National Defence to answer this question. I believe that over a five-year cycle we have budgeted for the undertakings that we gave of a certain rate of growth, particularly real growth, in capital expenditures but I do not have the figures at hand.

CONTRACT SIGNING DATE FOR NEW FIGHTER AIRCRAFT

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, in the absence of the Minister of National Defence—on duty somewhere, I am sure—I would like to point out to the Prime

Minister that the Minister of National Defence last May projected a contract signing date for the new fighter aircraft for the fall of 1978 which has now been postponed to late fall, 1979. Could the Prime Minister give an explanation to the House about a defence project that in less than a year has fallen behind more than a year?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have information that the Minister of National Defence is touring the National Defence Medical Centre in Toronto.

An hon. Member: He is sick.

Mr. Trudeau: On the project the hon. member is referring to, I repeat that I do not have the estimates and the knowledge before me. It is quite clear that when I announced last summer that the government would be cutting some $2 billion from its projected expenditures, it did mean that many projects in many areas of the economy—and I do not see why National Defence would have to be an exception, provided we live up to our over-all commitments—and would be deferred. This is perhaps one which will take one year more than originally anticipated.

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ENERGY

LOCATION IN ONTARIO OF HEXAFLUORIDE REFINERY FOR ELDORADO NUCLEAR

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. I understand the environmental assessment review panel has reported that there are no environmental difficulties in building in Ontario, at either of three separate sites, a new hexafluoride refinery for Eldorado Nuclear. I wonder if the minister could indicate when a decision will be made respecting that location.

● (1440)

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, I expect it will be soon.

Mr. Lawrence: By "soon", does the minister mean in a matter of days, weeks, months, or after the election? Second, can the minister tell the House whether the decision will be his, or whether it will be a cabinet decision on the recommendation of the minister?

Mr. Gillespie: Mr. Speaker, I will be discussing this with my colleagues and in all probability it will be a decision of cabinet. I can tell the hon. member that I have received a good deal of interest with regard to this question from the hon. member for Algoma. He earlier came to me and asked exactly the same question, how soon could he expect an answer with respect to the particular refinery. Indeed, the hon. member for Sudbury has also expressed an interest in this question. I hope there might be an answer on this matter in the very near future.

THE CANADIAN ECONOMY

STATEMENT OF MINISTER OF FINANCE ON PARTICIPATION OF WOMEN IN WORK FORCE

Mr. David MacDonald (Egmont): Mr. Speaker, my question is to the Minister of Finance. The minister said in Toronto recently that the job shortage is partly a result of the increased participation of women in the work force over the past few years. In particular he said, "We expect this rapid increase will taper off in the future".

Since previous estimates by his department were so woefully wrong with regard to participation rates for women, necessitating a report to the first ministers' conference last November because of its previous wrong projections, a statement that the department had underestimated to some extent the future of females and hence the aggregate participation rate—causing, I might say, untold hardship for women through the cutback by his colleague, the Minister of Employment and Immigration—can the minister now indicate on what he bases this projected decrease in the rate of entry of women into the work force? Is this a direction that his department is now promoting or supporting?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, it is obvious that the rate of increase has been very high in the last few years. We do not object to it. We have said it is a fact we have to live with, that there are more women coming into the labour force than before. We welcome that. However, it is a problem for the total economy: we have to create an equivalent number of jobs to accommodate this increase.

The participation rate has increased very rapidly over the past four or five years. It is evident that at some time it will taper off. When you compare the spread in most of the developed nations, it is evident that ten years ago in Canada the participation rate of women in the labour force was lower than in the United States and in European countries. The gap between Canada and the United States is now virtually nil. It is evident from that the acceleration will stop very soon.

Mr. MacDonald (Egmont): Mr. Speaker, I am grateful that the minister is not opposed to women entering the work force. I am sure there will be a lot of comfort as a result of that statement.

Since the minister mentioned other countries, can he indicate whether in fact there will be any publication of new labour force growth projections by his department based on the recent report of the Organization for Economic Co-operation and Development, which in its own survey indicated considerable growth both in the United States and in European countries with respect to increasing participation rates for women in the work force? If the minister has read those reports, can he advise if his department is going to publish new figures which would indicate a much more optimistic and realistic projection than the one the minister enunciated in Toronto?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I will obviously be happy, when I report to the House on this matter, to make the necessary adjustments if my estimates are wrong. These studies are now being made throughout the world. I have read reports stating, for instance, that in certain European countries the participation rate of women in the labour force has decreased over the last three years. I am not in a position, therefore, to make a full report. I am following this situation as closely as possible, and I will be happy, at the first opportunity, to report back to the House, with the required adjustments if necessary.

[*English*]

NATIONAL COMMISSION ON INFLATION—POWER TO PREVENT EXCESSIVE PRICE INCREASES

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a question for the Minister of Finance. I want to ask about a couple of specific price increases and what the commission will do about them.

Price increases have been brought to my attention by housewives who have been shopping. In the last six months, the price of raisins in this country has more than doubled. That is based on information that the wholesale price has gone up by 74 cents a pound and the retail price in Toronto by $1.64 a pound. Therefore, the rip-off is a 90 cents a pound increase in six months. What, specifically, can the National Commission on Inflation do about such an obvious rip-off as is now occurring with regard to raisins in this country?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, the hon. member has concluded that it is a rip-off. There are many factors that do not show in a price increase. Most of the time the biggest part of the price increase is because the goods are imported and the price abroad has increased faster than in Canada. We want to make sure retailers in Canada do not abuse their position.

The AIB made a review of this during the summer, and another review last month. They concluded that, generally speaking, the mark-up by retailers in relation to their sales has not increased in the last while. If the hon. member has proof of a rip-off, he should give that to the commission, which will certainly investigate. The hon. member makes the sweeping statement that it is always a rip-off. I think the rip-off is probably very much in his own mind.

Mr. Nystrom: Mr. Speaker, I am not talking about a general situation; I am talking about something specific. The wholesale price has gone up by 74 cents a pound and the retail price in Toronto has gone up by $1.64. The difference between the Canadian wholesale price and the retail price is 90 cents. That has occurred in the last six months. This is the Canadian dollar; it does not concern imports.

What will the new commission do about specific charges such as this? Why does the minister not give them the power, not for a general control on prices but to stop gouging of this sort where it finds that gouging has indeed occurred?

[Mr. MacDonald (Egmont).]

Mr. Chrétien: Mr. Speaker, the hon. member is being completely unrealistic when he says they should have the power to roll back on one item only. He knows that when you have controls, you have to control the whole economy. You cannot impose controls for 24 hours on one product; that will not work.

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OFFICIAL LANGUAGES

REQUEST FOR DEBATE ON LANGUAGE RIGHTS BEFORE DISSOLUTION OF PARLIAMENT

Mr. Stan Schumacher (Palliser): Mr. Speaker, my question is to the Prime Minister. In view of the fact the Leader of the Opposition has characterized the language policies of the government as being divisive, can the Prime Minister say whether an opportunity will be given to the House to express itself on the question of the constitutional entrenchment of language rights prior to dissolution?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, once again we are faced with an answer which would depend on the date of dissolution. I repeat the undertaking that the House leader and myself gave about ten days ago, that it would be the desire of the government to refer, hopefully, to a joint committee of the other place and the House of Commons the report of the Official Languages Commissioner. We hope that a debate on that will permit members on both sides to indicate their particular party's policy on the language question which the hon. member quotes his former leader saying "as being divisive".

Mr. Schumacher: Does the Prime Minister have any intention of tabling a replacement of Bill C-60 before dissolution?

Mr. Trudeau: Mr. Speaker, I believe I indicated at the press conference following the first ministers' conference in early February that if we were sitting long enough, we would want to do that. However, it might not be the entire contents of the former Bill C-60: it might be more specific in some areas. If there is such a bill, I can assure the hon. member that one element of it would be a bill of rights, including a bill of rights in the language area.

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GOVERNMENT ADMINISTRATION

NATIONAL COMMISSION ON INFLATION—ANTICIPATED NUMBER OF STAFF

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I would like to direct a question to the Minister of Finance. When the AIB was implemented there was some concern on this side of the House as to the extent of the bureaucracy. In 1975 we were told that this bureaucracy would be approximately 200, in 1976 we found it had grown to 485, and in 1978 we were looking at the figure of at least 635.

We now have the National Commission on Inflation. What assurance can the minister give the House that we are not setting up yet another massive bureaucracy that will grow just like Topsy?

[*Translation*]

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, I had discussions with Mr. Renouf and he does not intend to have a commission with more than 100 employees. Of course, at this time he will recruit his personnel from people available in the CSIP and people now employed by the AIB and due to complete their work in the next few weeks or months.

I think that the combined elimination of CSIP and AIB and creation of that new commission will result in fewer people monitoring inflation than there were at the beginning of the year.

[*English*]

Mr. Alexander: Mr. Speaker, we have heard those words before. In 1975 only 200 were to be involved. We then arrived at the figure of 635. I assume the minister is now putting his seat on the line with regard to this figure of about 100.

I would now ask him this question: Are the personnel being taken from CSIP and AIB personnel? Is that the understanding? Is the minister now stating that he does not envisage more than 100 people working for the National Commission on Inflation?

● (1450)

Mr. Chrétien: Mr. Speaker, I understand that the number of people working for the new commission will not exceed 100. The number of people working for CSIP at this time is, I think, 74. A few hundred people are working for the Anti-Inflation Board. The Anti-Inflation Board will finish its work within a matter of weeks. I explained earlier that if we now have 100 and a couple of hundred disappear, we are gaining.

Mr. Alexander: We don't want any more.

* * *

FINANCE

REDEMPTION OF CANADA SAVINGS BONDS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of Finance. A total of $498 million in Canada Savings Bonds was redeemed as of February 21 this year, compared with $117 million at this time last year. Since Canadians are galloping to the banks to vote no confidence in this government through the sale of one-fifth of their bonds, is the minister making any plans to encourage them to hold on to the other four-fifths and, if so, what are they?

[*Translation*]

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, people are totally free to do as they wish with their investments. We have several methods to get funds, and Canada Savings Bonds are one of them. Canadians have a lot of savings, and one of the indications that they do is that they must make a little money.

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[*English*]

EXTERNAL AFFAIRS

AIR SERVICES AGREEMENT WITH UNITED STATES—GOVERNMENT POLICY

Mr. Jack Murta (Lisgar): Mr. Speaker, my question is to the Prime Minister, if I can get his attention. In bilateral talks with Canadian officials later this month the United States will be seeking to deregulate across-the-border travel which, if proceeded with, will ultimately mean cheaper air fares for people travelling into and out of Canada.

Is it the government's intention to adhere to the 1974 air services agreement which allows one country to block the other's cross-border fare proposals; in other words, to stay away from any kind of deregulating process between the two countries?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would have been happy to deal with the question if the hon. member had given me notice. Having had no notice, I can only take note of the question on behalf of the minister, who is busy and will be in the House presently.

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RESEARCH

AWARDING OF CONTRACT FOR RESEARCH TRAWLERS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Minister of Supply and Services. I would like to ask the hon. gentleman whether we can expect an announcement in the near future regarding the awarding of an important contract for research trawlers. This matter is the subject of a great deal of anticipation in certain areas of Nova Scotia, particularly at the historic port of Pictou.

[*Translation*]

Hon. Pierre De Bané (Minister of Supply and Services): Yes, I think the government will soon be in a position to announce a decision in that regard, and I hope that the population of Nova Scotia will be pleased with it.

* * *

[*English*]

INDUSTRY

CANADIAN SUPPLY OF STEEL

Mr. Paul McCrossan (York-Scarborough): Mr. Speaker, my question is to the Prime Minister, in the absence of the

Minister of Industry, Trade and Commerce and the Minister of State (Small Business).

On February 6 I raised a question in the House with the Minister of Industry, Trade and Commerce about the severe shortage of steel in the country and what plans the government had to assure Canadian businesses that they could receive supplies. I received a reply from the minister, who said that the government was making every effort to ensure supplies to Canadian businesses. Just one week later, one of my constituents received a letter from the Minister of State (Small Business) which stated that it is unfortunate that Canadian mills find it impossible to increase output quickly and that in the meantime many steel users are turning to imports to supplement domestic supply.

Is it government policy now to encourage imports of steel for Canadian manufacturers, or does the government have a policy of trying to assure Canadian manufacturers adequate steel supplies as the Minister of Industry, Trade and Commerce indicated?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, of course, I do not know what particular representations were made to the hon. member, nor from where; but the hon. member will recall that very few months ago we were receiving representations, from the west coast in particular, that we should keep Canadian steel out of British Columbia in order that we might import steel from overseas.

Mr. Friesen: We can't get any.

Mr. Trudeau: I understand, and that indicates how the economy is booming. The steel industry is now producing at full capacity. Just a few months ago there was an excess of steel in the markets of the world. Thank goodness the Canadian steel industry, its workers and investors have proved particularly efficient in ensuring that they could not only survive that period but also come through it with production at full capacity.

Hon. members opposite have flip-flopped completely, as usual, and are complaining that there is not enough steel. They were complaining about too much just a few months ago.

STEEL NEEDED FOR EXPORT OF MANUFACTURED GOODS TO UNITED STATES—GOVERNMENT MEASURES TO ASSIST

Mr. Paul McCrossan (York-Scarborough): Mr. Speaker, I find it incredible that the Minister of Finance is saying that because of the devalued dollar our finished goods export opportunities will increase, but that the government is taking no steps whatsoever to ensure that our manufacturers can get steel.

What steps is the government taking to ensure that small Canadian businesses can get the steel they need to export manufactured goods to the United States?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, for a year I have been advising Canadian businesses to make plans for the time when Canadian production capacity will be completely utilized. Had they made investments earlier in higher capacity, there would be more steel available now. The problem at this point is that the steel industry is still functioning at full capacity, and when we are faced with full capacity we run into shortages.

I will refer this matter to the Minister of Industry, Trade and Commerce, and I hope Canadian producers will see that it would be in their best interests to keep their Canadian clients happy, because they are the industry's best clients.

* * *

FORESTRY

PRIVATIZATION OF FOREST PRODUCTS LABORATORIES

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I have a follow-up question for the Minister of State (Environment), who is also responsible for forestry.

Is the minister in a position today to tell the House and forest scientific staff who are engaged in forest products laboratories in Vancouver and Ottawa to what extent his efforts to privatize these institutions have been successful, whether the lay-off notices which have been mailed out by his department and which are to be effective April 1 are still to be effective, and whether sufficient capital has been found to defray the cost of these services?

Hon. Len Marchand (Minister of State (Environment)): Mr. Speaker, the move to privatize the two laboratories is going very well. I sent the hon. member a press release a few days ago, or perhaps last week, indicating that the interim board of directors has been very successful in its quest for funds. The board is very hopeful that all the employees now working for the laboratories will move over and work for the new organization. I have also been told by Mr. Bob Rogers that the board's quest for funds from various sources has been successful in the initial stages.

Mr. Oberle: Mr. Speaker, it is precisely because of this press release that I have been concerned. Even though this group has had some meetings and has passed the hat—to use the minister's words—around the country, there has not been a firm commitment to these people that they will have jobs after April 1. The question is whether the minister will communicate to this constituency that they will be assured of a job after April 1, or of someone to sign their pay cheques after that date?

● (1500)

Mr. Marchand: Mr. Speaker, the interim board of directors of Forintek, which is a new organization, has indicated very clearly to its employees that they have been offered jobs. As I said before, I hope the employees will see fit to become members of the new organization. I am very confident that this can be accomplished, as is the new board of directors, and that the privatization of these two labs will take place efficiently.

PUBLIC WORKS

MIRABEL AIRPORT—GOVERNMENT ADMINISTRATION OF PERIPHERAL LANDS

Mr. R. E. McKinley (Huron-Middlesex): Mr. Speaker, I have a question for the Minister of Public Works, but in his absence I should like to put it to the acting minister.

Since the minister announced outside the House on Friday the government's plan for a Public Works Lands Company to administer peripheral lands at Mirabel airport, would the minister do us the courtesy of explaining what the purpose of this company is, and why it requires the expenditure of over $8 million in the coming fiscal year? Will it possess any assets currently held by the Department of Public Works, and will it be hiring any employees who have been working for the Department of Public Works?

Mr. Hal Herbert (Parliamentary Secretary to Minister of Public Works and Minister of State for Urban Affairs): Mr. Speaker, this is an existing body within the Department of Public Works at present and it will be taking over the organization of the area within its own terms of reference. It is not a new body and therefore the existing employees will be operating it.

Mr. McKinley: It seems to me that this is a ploy on behalf of the government to cut down on the losses and not show them, losses that are being experienced in the operation of that white elephant.

Mr. Herbert: Mr. Speaker, there was no change whatsoever in the budget—the same employees and the same budget.

An hon. Member: And still a white elephant.

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PRIVILEGE

MR. CROUSE—CORRECTION OF STATISTICS GIVEN DURING QUESTION PERIOD

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I rise on a question of privilege. It has never been my policy intentionally to mislead the House. Since I asked my question of the Minister of Finance (Mr. Chrétien), I have learned that my figures were incorrect. I would appreciate the opportunity to put the proper figures on the record. As of February 28, total redemptions in 1979 of Canada Savings Bonds exceed $541 million, which is a rate of almost $12 million per banking day. Last year, only $133 million in bonds had been redeemed, over $3 million a day.

ROUTINE PROCEEDINGS

[*English*]

COMMISSIONER OF OFFICIAL LANGUAGES

APPOINTMENT OF SPECIAL JOINT COMMITTEE TO CONSIDER REPORT

On the order: Government notices of motions:

March 2, 1979—The Deputy Prime Minister and President of the Privy Council:

That a Special Joint Committee of the Senate and the House of Commons be appointed to consider the report of the Commissioner of Official Languages, 1978, tabled Tuesday, February 20, 1979 (Sessional Paper No. 304-1/301);

That 20 members of the House of Commons to be designated by the House at a later date be the members of the Special Joint Committee and that Standing Order 65(5) of the House of Commons be suspended in relation thereto;

That the said committee have power to send for persons, papers and records and examine witnesses; to sit during periods when the House stands adjourned; to report from time to time and to print such papers and evidence from day to day as may be deemed advisable and to delegate to subcommittees all or any of their powers except the power to report direct to the House; and

That a message be sent to the Senate requesting that House to unite with this House for the above purpose, and to select, if the Senate deems it advisable, some of its members to act on the proposed Special Joint Committee.

Mr. Speaker: Pursuant to section 2 of Standing Order 21, this notice of motion is transferred to and ordered for consideration under Government Orders at the next sitting of the House.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the following questions will be answered today: 26, 811, 885, 919, 949 and 1,188.

I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[*Text*]

RIDEAU CANAL

Question No. 26—**Mr. Cossitt:**

1. What was the total amount of funds expended on all aspects of the Rideau Canal during the last fiscal year?

2. What is the estimated amount to be expended for the current fiscal year and, what amount is for (a) maintenance and new construction (b) salaries?

3. What is a list of all locations on the Canal where work was done last year and, in each case, what (a) was the amount expended (b) is a description of the work?

4. What is a list of locations where work is being done this year and, in each case, what is (a) the amount being expended (b) a description of the work?

Mr. Yvon Pinard (Parliamentary Secretary to President of the Privy Council): In so far as the Department of Indian Affairs and Northern Development is concerned:

Order Paper Questions

1. 1977-78 Operating & Maintenance $2,655,212
   Capital $4,636,042
   Total $7,291,254

2. 1978-79 Estimated Expenditures

(a)	Operations, Maintenance & New Construction	$4,058,800
(b)	Salaries and Wages	$2,480,660
	Total	$6,539,460

3. Major Work was carried out at the following locations in 1977-78

	(a)	(b)
Ottawa	$ 209,000	Start pedestrian circulation and landscaping—Ottawa Locks
Long Island	1,596,000	Start replacement of waste weir
Nicholsons	16,000	Repairs to wall
Kilmarnock	229,000	Repairs to lock
Beveridges	53,000	Repairs to lock
Brass Point	512,000	Start replacement of bridge
Kingston Mills	214,000	Repairs to swing bridge
Kingston Mills	44,000	Interpretive facility
Hogs Back	347,000	Replace dam, bridge and house
Chaffeys	235,000	Repairs to lock

4. Major work is being carried out at the following locations in 1978-79:

Ottawa	$ 280,000	Pedestrian circulation and landscaping at Ottawa Locks
Long Island	170,000	Complete the replacement of waste weir. Bulk of this project was completed last fiscal year.
Burritts Rapids	225,000	Replace entrance walls on both sides at the upper end of lock
Merrickville	365,000	Replace two fixed bridges
Newboro Cut	445,000	Newboro Cut to be dredged and banks stabilized
Brass Point	1,375,000	Replace Brass Point Bridge. Work was started last fiscal year
Upper Brewers	150,000	Repairs to lower lock

In so far as the National Capital Commission is concerned:

1. $367,270.

2. $358,000.

(a) $168,000.

(b) $190,000.

3. No specific locations but general skating area between the Château Locks and Hartwell Locks and Dow's Lake.

(a) $367,270.

(b) Normal maintenance of ice surface and facilities.

4. Design of new skate/boat facility adjacent to the canal at Fifth Avenue in addition to general skating area between the Château Locks and Hartwell Locks and Dow's Lake.

(a) $358,000 including design fees for new skate/boat facility.

(b) Normal maintenance of ice surface and facilities and design of new skate/boat facility.

[Mr. Pinard.]

P.O.—LANGUAGE REQUIREMENTS

Question No. 811—**Mr. Jones:**

1. Are there language requirements for employees of Canadian Post Offices and if so, what are they? Is language training available to all employees of Canadian Post Offices?

2. If language training is not available, how is the criteria for language proficiency met (a) for currently-employed postal workers and (b) for any new employees?

3. Are supervisors in Canadian Post Offices required to hire a certain percentage of English to French employees, with those above mentioned languages as their first tongue?

4. Are posts within the Canadian Post Offices classified as bilingual and if, so, what are they? Are posts within the Canadian Post Offices classified as unilingual English and if so, what are they? Are posts within the Canadian Post Offices classified as unilingual French and if so, what are they?

Mr. D. M. Collenette (Parliamentary Secretary to Postmaster General): 1. (a) Yes—there are language requirements and these are based on the functions and job description of positions. For each of the four skills (reading, writing, listening and speaking) the Public Service Commission recognizes three types of levels of proficiency which we have to follow to establish the language requirements required of incumbents to satisfactorily perform their duties.

	Type	Level(s)	Code
I	General	Superior	C
		Intermediate	B
		Minimum	A
II	Instrumental	Limited	R
III	Technical or professional	Particular	P

(b) Yes and the priorities are set forth by the Public Service Commission.

2. Not applicable.

3. No. Positions are staffed in accordance with the requirements of the job.

4. (a) Yes, there are positions in Canadian Post Offices identified as bilingual. Supervisory positions as well as positions serving the public mainly those of wicket clerks in areas where there is sufficient demand to warrant services in both official languages.

(b) and (c) Yes, based on the functions and duties to be performed there are positions identified as English essential or French essential only.

AIRCRAFT

Question No. 885—**Mr. Howie:**

1. What is the flying range of the F-16 and the F-18A Aircraft?

2. What military purpose will each aircraft perform and what aircraft will they replace?

3. What effect, if any, will the flying range of each aircraft have on the continued use of CFB Chatham in New Brunswick?

4. Is the government or the Department of National Defence considering contingency plans for the relocation of the Chatham Base for the final NFA selection and, if so, what alternate sites are being, or have been, considered?

Hon. Barney Danson (Minister of National Defence): 1. The range of an aircraft is dependent on a large number of variables which must be precisely defined before any comparison can be made. However, in general terms, the combat radius of action of the F-16 and F-18A is as low as 300 nautical miles and up to more than 2,500 nautical miles for ferry purposes depending on air speed, altitude and configuration such as weapons load and external fuel tanks.

2. The new fighter aircraft will replace the CF-101s based in Canada and the CF-104s based in Europe. The various missions of the new fighter aircraft are air defence, defensive counter air, close air support, interdiction, offensive counter air and anti-maritime surface.

3. Not applicable.

4. DND is currently conducting studies to establish which deployment bases are best suited strategically for the new fighter aircraft.

DOMINION COAL BOARD

Question No. 919—**Mr. Stevens:**

1. For each fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits for the Dominion Coal Board?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on the Corporation (b) of loans, advances or guarantees extended by the government to the Corporation (c) investment by the government in the Corporation both before and after any write off?

Mr. Pierre Bussières (Parliamentary Secretary to Minister of Energy, Mines and Resources and Minister of State for Science and Technology): The Department of Energy, Mines and Resources reports as follows: 1 and 2. The dominion coal board was dissolved by the Dominion Coal Board Dissolution Act which was proclaimed in force on May 1, 1970.

DND—FIGHTER AIRCRAFT

Question No. 949—**Mr. Leggatt:**

1. What are the estimated ranges of the CF-16 and the CF18A, the two fighter aircraft on the DND shortlist?

2. Will their ranges be affected by their proposed roles, that is, will they have different ranges in North America as opposed to Europe and, if so, what will be the ranges?

3. Will new landing strips have to be constructed in the Canadian North in order to accommodate the aircraft?

Hon. Barney Danson (Minister of National Defence): 1. See answer to question No. 885 answered this day.

2. Yes. In the air-to-air role the range for both fighters in North America or Europe will be approximately 700 nautical miles. In the low level air-to-surface role in Europe the range will be approximately 300 nautical miles.

3. No.

Housing

U.S.S.R.—TRANSFER OF MONEYS TO SURVIVING RELATIVES

Question No. 1,188—**Mr. Shymko:**

For each year since 1968, what amount in estate moneys were transferred from (a) Canada to surviving relatives in the U.S.S.R. (b) the U.S.S.R. to surviving relatives in Canada?

Mr. Yvon Pinard (Parliamentary Secretary to President of the Privy Council): This is a provincial matter as the provinces alone have jurisdiction over the transferral of estate moneys.

[*English*]

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

NATIONAL HOUSING ACT

MEASURE TO AMEND

The House resumed, from Friday, March 2, consideration of the motion of Mr. Ouellet that Bill C-29, to amend the National Housing Act and the Central Mortgage and Housing Corporation Act and to make other related amendments, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, as is the case on every occasion when we discuss the topic of housing in the House, I take the opportunity to remind my friends and colleagues of some of the difficulties and problems experienced by a significant segment of our society in respect of the critical shortage of living space. It is left to me in this debate to articulate these problems, which affect about 20 per cent of our population, and particularly that part of our population which lives in rural areas and which is of native ancestry.

It appears to me that the more changes and amendments this government makes, the more things stay the same. Almost every day we are treated to fundamental changes in the orientation of government departments. The UIC and manpower problems have been reoriented from what they were in 1968 when the present government took over. Last week we had a reorganization bill before the House which reorganized the Department of the Environment, taking away from it the Department of Fisheries and establishing it as an autonomous agency. Today we heard the minister say that we have reorganized the food monitoring agency from what it was three or four years ago—twice during that time the government has developed a new awareness of this crucial problem—and now we are treated to yet another agency. In housing, the more improvements this government claims the worse things seem to get.

My colleagues have been treating the House to horror stories of government programs which have failed, of hardship and deprivation suffered by Canadians, not just those in the poorer income categories but also those in the middle income category, people who are stuck with AHOP housing and who thought at one time that they were entitled, as are most other Canadians, by virtue of owning their house, to having a cushion against inflation. These stories are on the record and they should be recommended reading not just to our colleagues in the House but to all Canadians.

I have listened carefully and attentively to the points the Minister of State for Urban Affairs (Mr. Ouellet) made in his opening remarks. He has not been present in the debate in the House since that time and he is not in the House today. I suppose he is out conducting another Gallup poll in respect of housing, because the statistics he laid before the House are mainly those that were given to him as a result of a Gallup poll.

The minister said that there is a new awareness in the government of the crucial problems facing us in respect of housing. He said, for instance, that the provisions in this bill address specifically our great national objectives, the first of which is probably the most important, namely, the considerable increase in the number of housing units which meet the needs of Canadians with lowest incomes. Further on in his speech he identified that need as being an immediate need for 30,000 housing units in one year. He said further:

> Our present housing programs, which are undertaken in conjunction with the provincial governments, hardly provide at the moment 19,000 units a year; it is not enough to meet the needs of the country. It is obvious that we must build each year a greater number of units for old and low income people.

● (1510)

I am almost compelled to accuse the minister of misleading the House. It was nonsense for the minister to say that 19,000 new housing units for low income Canadians have been built. Further, the minister indicated that during the last four years housing starts in Canada reached an average of nearly 250,000 units, and that that is not sufficient. He described in glowing terms the government's record in its past performance. One almost began to wonder, as the minister was speaking both inside and outside the House, what the reason is for another change in housing policy and another reorientation when things apparently were going so well.

It will be left to me to talk about rural and native housing. The program initiated in 1974 has been a total failure; there are no other words to describe it. In his speech the minister said that there were certain obstacles to the program and that he is confident these obstacles have been removed. Again that is nonsense. The minister is attempting to shift an even greater burden to the provinces. He is including the municipalities of the country in the housing scheme. The minister is creating more obstacles than he is removing. His commitment to 30,000 new housing units for low income Canadians in one year is nothing but a dream which exists in the minister's mind. It will never be fulfilled.

[Mr. Oberle.]

It is my intention to lay before the House the statistics regarding the government's real performance in the last five years. The intention is to shift a partial burden of the financing of low income housing schemes to the provinces in addition to a 2 per cent interest rate. There have been consultations with the provinces, but there is no evidence of clear commitments from the provinces or the municipalities that they have greater faith in the government's new orientation program than the last one.

Perhaps it can reasonably be asked why the government should play a role in this important area. Surely we on this side of the House do not have to demonstrate the need for government intervention in this area. Hon. members on all sides of the House agree that government has a very real role to play. Perhaps government members have been more skilful in articulating this need, even though nothing is being done about it. The concept of subsidized housing for low income Canadians cannot be argued. Housing is a very significant component of a social contract. Adequate and comfortable housing and the right to privacy are very significant components in the social evolution of our citizens. Of course, my party differs in its approach to the type of people who should achieve their right to proper and adequate living, those people with steady incomes and those with lower ones.

We have spoken about the deductibility of the interest portion of the monthly mortgage payment for tax purposes and a portion of the property tax which individuals pay. The government claims such a scheme does not work. There are many other schemes, all of which have been successful in other parts of the world, particularly in countries the government uses for comparison purposes in areas other than housing.

For instance, there is a scheme whereby individuals are encouraged to invest through a mortgage exchange corporation. That is something which should have been passed in the House years ago. It has been sitting on the shelf somewhere and has never been proclaimed. The mortgage exchange corporation would allow individuals and investors to invest in the housing field with the concession of not having to pay income tax on certain earnings from such investments. The scheme works well in the United States. It has kept the United States interest rates 4 per cent to 5 per cent below our own. Whatever scheme is used or decided upon, it must be one which functions. It must not be one which sees the minister getting up in the House every two years and proclaiming in glowing terms that the government finally has seen the light and that there is a commitment to do something about it, without tangible evidence that such a commitment can be fulfilled.

There is no difficulty in determining how people in the very poor categories should be helped. Surely the element exists in this country, as it does in others, which says: "Why should I help him? He has lived on welfare all his life. He is drawing unemployment insurance and is a burden on society. Why must I now build him a house?" One must ask what fault it is of the small child or younger Canadians who live in substandard dwellings because their parents have not learned to manage well. What fault is it of theirs? If we do not help

them, and if we do not make a commitment to alleviate their problems, they will follow their parents' footsteps and the problem will be compounded many times over in the next decades.

After 11 years of its just society, the government claims a monopoly on social conscience. I should like to give hon. members of the House an assessment of the government's record in this important area. In order to identify the people of which I am speaking, I should like to give a few statistics as to the seriousness of the social deprivation 20 per cent of our fellow citizens face.

Approximately 20 per cent of the poor in our country, or the lowest 20 per cent of income earners, have seen their family incomes decline by 7 per cent since the just society was declared. I am not drawing these statistics out of the air; they come from the government's record. That 20 per cent at the lower end of the economic scale earns 4.4 per cent of the nation's income. Incidentally the upper 20 per cent, the highest 20 per cent of income earners, earns 42.2 per cent of the nation's income. Be it in industrial negotiations or be it in the government's commitments to its public servants and social contracts, its commitments always are based upon percentages. If a family lives on an income of $8,000 a year and if the increment is to be 5 per cent, the family can expect its income to increase by $400. If we talk about the persons who earn $40,000 annually, their increments, of course, would be five times higher, or $2,000 a year. Incidentally, there are many persons in Canada who earn $40,000, most of them being in the public service. Both these groups of people buy their bread, lettuce, meat and steaks from the same stores. Perhaps I should not refer to steaks because the first group of which I speak are not buying steaks. Both these groups are buying their essential commodities and services from the same stores but their incomes are 500 per cent apart.

The rich in the country have been getting richer; the poor have been getting poorer. The inner circle of the just society is getting smaller and smaller all the time. Also the living space of that important sector of society, that 20 per cent of low income Canadians, is getting smaller.

● (1520)

Let me demonstrate how serious this problem is. I draw attention to a press report in the Toronto *Sun*. I am sure hon. members will say immediately that it is a scandalous report, a scandalous paper. But let me put on record what it says in the Toronto *Sun* and set it against a press release I received in my office today from the Minister of Indian Affairs and Northern Development (Mr. Faulkner). I quote the *Sun*:

Edmonton, Alberta:

A doctor in the small town of High Level has suggested that bad housing conditions may be a contributing factor in the deaths of three Indian babies in the remote village of Assumption from an ailment similar to the so-called "Naples Dark Disease".

Dr. Doreen Mitchinson who makes weekly visits to the nursing station in Assumption, said housing conditions there are "far from ideal."

What an understatement that is!

The houses are mostly wooden and they can be very drafty with just a wood-burning stove to heat them.

"Sometimes there can be 10 to 13 people living in a one-room house with two or three babies under a year under the same roof. It predisposes the children to more illness."

There was not a great outcry when the electronic media exposed the story briefly one night but it drew my attention and I did some research in the press. The only mention I could find was in the Toronto *Sun*. It picked up this horror story comparing housing conditions in our country with the poorest slums in Italy. What an indictment! Some people were upset; some people were ashamed. The minister sent us a press release and I want to put a portion of it on record. He said:

There is no question that health problems such as respiratory disease are related to poor housing and overcrowding.

The communities where these deaths have occurred are all too symptomatic of reserve housing conditions in general, but particularly in remote areas.

Unfortunately, the Indian housing program, like virtually all other government programs, is under severe financial pressure. I do, however, intend to review the situation to see what further action may be possible within limited resources.

The only word I know to describe that situation is "incredible". The minister is quoting need for restraint at a time when we are confronted with a further 8.9 per cent increase in projected spending for the coming year, at a time when we see no attempt being made to curb spending in the non-productive sectors of the economy, at a time when we see no curbing of the government's appetite to continue with its frivolous dream. It is left to me, as I say, to make the case for 20 per cent of Canadian citizens, the category which includes natives and non-status Indians. The government's record in this regard is one of negligence—one is tempted to say, of criminal negligence.

It is not that the government is unaware of the problem. In 1968, as I have mentioned, great pronouncements were made concerning commitments to establish equity and bring these Canadians into the mainstream of the national life. Task forces were set up and voluminous reports were issued. The Hellyer report is one example. The Rheaume commission also travelled across the country examining this problem. Mountains of submissions were received from native councils and people interested in social affairs, all saying that something needed to be done, that something needed to be done immediately, that something needed to be done desperately, to establish a greater degree of equity in this regard.

Then, of course, the government had its own reports. I have one here, a voluminous document containing some 62 pages and entitled "Revised Draft Program and Discussion Papers with regard to Housing Policy for Indians on Reserves". It is written in the usual bureaucratic jargon. I don't know how many times this document has been revised; it was probably drawn up in the 1930s and revised every time a minister felt the need for it or felt himself under pressure to make a statement. I invite hon. members to put themselves into the position of an Indian on an outlying reserve who is given this document, a document within which is locked the secret of

how he can achieve the kind of housing which 60 per cent of all Canadians take for granted and accept as a right, not just as a privilege. The whole of this document should really be put on record because it is a typical example of bureaucratic nonsense. Let me quote just a couple of paragraphs, however:

> The Band Councils, through a housing management authority to be established for each band, would prepare project submissions outlining the housing program requirements, type of houses, costs, funding mechanisms and proposed maintenance procedures.

What a bunch of nonsense! Imagine the reaction to all this of members of a remote band isolated from the mainstream of Canadian life. Most of those living on the reserves are without radio and television; they have no access to newspapers, and not many of the older people can read newspapers anyway.

Another paragraph in this document has to do with training for the housing management authority which it is proposed to establish. The department would generously assume the responsibility for training representatives from the housing management authority in the "proper utilization of federal funding programs, the development of labour training programs and encouraging adequate design standards and proper maintenance procedures." A planning cycle is outlined. Can you imagine that, Mr. Speaker—a five-year planning cycle involving band councils submitting annual forecasts for three years as the basis for the preparation of three-year forecasts, two-year estimates and one-year budgets? Has this government ever shown any evidence of ability to forecast for even two months ahead with any accuracy? Yet these Indians are expected to forecast their needs for five years ahead. Here is another paragraph:

> In terms of tenure, it is suggested that the Band Councils, through the housing management authority, hold title of the housing obtained through the non-profit housing program and that this authority be charged with managing the housing on an ongoing basis and seeing to the collection of rents/loan repayments.

● (1530)

When we deal with Indian housing, we deal with a very serious problem which cannot be addressed by contemporary bureaucrats. What we are dealing with is a cultural gap between the manner in which we in the House and in the country see ourselves helping our constituents and the manner in which the native community in our country hopes to achieve equity. This paper deals only with the problems of status Indians on the reserves. There are a number of most peculiar components to the problem which have confounded the social engineers and the public bureaucrats in trying to solve it.

Native culture is not taught in our schools or learning institutions where, for example, Mr. Teron or our Prime Minister (Mr. Trudeau) received their education. The schools do not teach students about the cultures of the native people in our country. There is also the problem of the concept of communal living which says it is not important to own your own home. Even if it were important, so long as the Ministry of Indian Affairs and Northern Development retains ownership of the house once it is built, how can we ask the Indian person to make payments on this house and investments for the future if it is not his in the first place? The house belongs to the ministry of Indian affairs or the governor in council.

In one sense this paper says that the band should have the right to own the house and property, but it also describes the needs of the individual with regard to ownership. What a contradiction! There is the whole problem of the high cost of servicing, utilities, insulation and building in the north and rural areas. We were told last year, and it is reiterated in this paper, that the subsidy of $10,000 which the department of Indian affairs offered to natives on reserves would be increased to $12,000 for status Indians who wished to build near urban areas, and to $18,000 for those who wished to build in remote areas. I am sure that anybody who has looked at the housing market over the last two or three years in this regard will not find it difficult to understand that this is just so much nonsense, and that with $18,000 one could not even cover the cost of putting the four walls up never mind the roof, furnace or water taps.

There are examples throughout the country of attempts to provide the most primitive shelter for people on Indian reserves as a result of trying to work within the constraints of these financial guidelines. The department of Indian affairs said last year with regard to the rural situation that, in addition to the $18,000, CMHC would be required to contribute another $28 million, Manpower to contribute another $48 million and other departments to contribute another $19 million over a five-year period to alleviate this crisis in the area of reserve housing. My friend and colleague, the hon. member for Lambton-Kent (Mr. Holmes), will speak more specifically about reserve housing.

I would like to speak about the non-status situation and the rural situation which are as equally crucial and important. In 1971 the Prime Minister said that there is a clear commitment by the government to a scheme which would provide natives throughout the land, non-status Indians and, generally, people in rural areas with housing and that they should look at the right to own a home as an inalienable right in this country with the resources we have. I said earlier that the government has known of the problem. This is reflected in the Prime Minister's statement of 1971, but nothing has happened.

Another commitment was made—and I will not bother the House by going into the actual references in *Hansard*—in 1972.

Of course, it was in the early 1970s when the natives became organized and, out of sheer frustration, became militant. In an attempt to make their positions felt here in Ottawa they began to exercise some political muscle. Hon. members will recall that in September 1973 the message got across to the bureaucrats and the people in the policy planning group, and as a result a policy was actually developed. However, when it was shown to the Indians, hon. members will recall that one of the people who was charged with developing this policy and who had a clear mandate to negotiate with the native people was fired because he had discussed with them the intricacies of such a policy. This firing took place in spite of the fact that the minister had ordered the individual to

make sure that whatever policy was advanced to the cabinet had the approval and acceptance of the native community.

In those years a whole new science developed within the bureaucracy. The conventional manner of giving these people a snow job did not work as well because they began to take the ministers at their word, and every time they or the Prime Minister or one of the senior bureaucrats made a new commitment, the native people expected it to be fulfilled. Of course, when that did not happen the native people became very concerned, outspoken and militant.

Then there was the new approach—which really is not new at all but which certainly came in handy at the time—of dividing and conquering, dividing the status native community from the non-status native community, the urban native community from the rural native community, and so on. Eventually, however, a decision had to be made, and it came in March, 1974, precisely five years ago when the policy for rural native housing was announced.

This year is the fifth anniversary of this policy, and it is in this climate that I have the opportunity to speak on this matter again. Let me put on the record the manner in which the policy is described in the manual under the heading "Rural and Native Housing":

> CMHCs rural and native housing policy, announced in March, 1974, attempts to marshall all of the resources of the NHA for the benefit of rural and native people and, specifically, within the next five years, to acquire or build 50,000 housing units for these people and to rehabilitate an equal number.

Over a five-year period there would be 100,000 new housing units. The manual goes on to say:

> The policy is to encourage the people concerned to plan, build and manage their own projects as much as possible, so that they will acquire not only housing but new skills and economic security as well. The resources of many other federal programs are channelled to rural and native people through an interdepartmental committee, of which CMHC is chairman. At the provincial level, federal-provincial rural and native housing committees perform a similar function.
>
> One innovative aspect of the policy is to allow rural and native people to buy their homes with monthly payments related to their incomes, on a scale similar to that used to calculate rents in public housing projects.

● (1540)

The natives had asked for 30,000 new homes but the minister, not to be outdone, said their needs were for 50,000. That can well be demonstrated by all the reports I have enumerated, such as the Hellyer report and the Rheaume report.

Let me deal briefly with the record of this policy to build 50,000 homes over a five-year period and to rehabilitate another 50,000. In 1975, after the first year, I asked the minister how many homes had been built. The minister had forgotten there was such a policy but he checked with his officials and two or three days later said 24 of the 50,000 homes had been built. They were all in my constituency. It was a project I demonstrated in my home town, because we have to start somewhere, Mr. Speaker. A year later I asked the question again. At that time, 300 houses had been built.

When I was preparing my remarks for today. I telephoned CMHC to see how the policy had performed. The information service did not know of its existence. Apparently the minister's office was alerted and a directive sent to the people in charge of it to give me whatever information I wanted. I was told that 31,144 houses had been built over the five-year period. That was a source of comfort to me, as I had not checked how it was going over the last few months.

I asked where the houses had been built. My province of British Columbia was mentioned and the province of Ontario. I asked how many new houses in total had been built and was told that the 50,000 houses were a combination of new and rehabilitated houses. I reminded them that the program was to build 50,000 new houses and rehabilitate the same number. I read the minister's press relase to them, I read the minister's speech in the House to them and an excerpt from the government's housing policy. It was admitted that all this was very true and they offered to give me the figures on the new houses actually built. In the five-year period 7,753 houses had been built and 23,391 rehabilitated.

I shall give the figures for each province in order to demonstrate the kind of response received for his frivolous dream from the provinces. In Newfoundland, 1,824 houses were built; in Nova Scotia, 549; Prince Edward Island, 45; New Brunswick, 450; and Ontario, 834. The program works well in Ontario and Newfoundland because there are groups organized by natives to provide a delivery system. In Manitoba, 1,266 houses were built and in Saskatchewan, 1,549 were built. In Alberta, the province with the housing problem described in the story in the Toronto *Sun*, 405 houses were built; and in British Columbia, 838. There was no requirement for the government to make any deal in the two territories. Surely we cannot abrogate our responsibilities for the Yukon and the Northwest Territories. Only 34 of the 50,000 houses were built in the Northwest Territories. In the Yukon it was zero; no new houses under this program for the Yukon.

I have omitted the province of Quebec, where the minister is the champion of federalism, the champion of all that is good and desirable in a just society.

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

Some hon. Members: No.

Hon. James Hugh Faulkner (Minister of Indian Affairs and Northern Development): Mr. Speaker, my intervention will be relatively brief. I want to speak about two aspects of the bill, the one that relates to the more effective delivery of housing to Indian reserves, and the other that deals with the conservation of heritage buildings. They seem at first blush to be rather disparate elements, but one stems from my responsibility as Minister of Indian Affairs and Northern Development and the other from my mandate in the parks program for heritage preservation. There are aspects of the bill which will be helpful in dealing with both areas and I should like to draw the

attention of the House to those amendments which I think will help address the problem that has been under discussion.

If we look at the problems confronting the department in coming to grips with the very serious housing conditions on Indian reservations, I think we all share the view that a great deal has to be done. The hon. member who just preceded me, in a fashion which I think is rather characteristic of him, pointed out the problems, discussed some of the difficulties and dwelt on some of the shortcomings, but failed to mention some of the improvements we have made in respect of housing on the reserves in the last ten years. I do not think anyone who is anxious to be fair would deny there has been substantial progress. What has to be admitted is that there are still outstanding difficulties facing the department in trying to address the problem of Indian housing.

I think it is important to recognize that in the past ten years we have built approximately 10,800 houses on Indian reserves. In 1973-74, our rate of new house construction was approximately 2,000 per year, but as a result of a decision taken in cabinet in August, 1977, the rate was increased to about 2,400 new houses per year. At the same time, some existing 3,000 houses on Indian reserves are currently being renovated each year.

That is an improvement over what was being done. Although hon. members opposite tend to dissociate themselves from the past, they cannot avoid the reality that they were the government of this country between 1957 and 1963. They were not great years, Mr. Speaker, but the point is that they also had a chance to address the question of Indian housing. They also had a chance at that point to address the question of health services on reserves. I would ask any of them, particularly the hon. member for Prince George-Peace River (Mr. Oberle), to compare the rate of new housing in those years, the rate of new infrastructure in terms of water supply and health delivery services in those years, with what has been done in recent years. I agree with the hon. member that the task is still in front of us and, if anything, is becoming more difficult to cope with.

The housing needs analysis which was effective in December, 1977, indicated there is still a need over the next five years for approximately 22,500 new homes and the rehabilitation of some 30,000 existing homes on Indian reserves across Canada. There is no question that new construction and renovation is badly needed to reduce overcrowding, to replace substandard housing, and to provide for newly formed families. There is equally no question in my mind that the failure of governments, and—let us be realistic—the failure of this parliament, to find sufficient sums to meet this problem has contributed to the conditions which the hon. member I think rightly described. Maybe the tragedy he referred to of those Indian children will quicken the consciences of members in this House on all sides to recognize that there is more to be done in these areas affecting the Indian people.

[Mr. Faulkner.]

• (1550)

I am dealing specifically with the status Indians. The hon. member went on to discuss the Metis and non-status Indians, and that is a question we can probably discuss in committee. The fact is there have been some achievements; there is no question about that. In recent years particularly there have been some solid achievements. The task is still there and it is an immense one. In my rough estimate, if we would try to catch up to that backlog, say over a period of five years, we are looking at an expenditure of something like $400 million. This is just to try to deal with the housing problem alone on the reserves. The present rate of expenditure is something like $195 million. There is a question of financing that is directly involved, but there is also a question of will and I think to the extent this chamber is engaged in a debate about this, there seems to be concern on both sides of the House that we address this question more forcibly. Hopefully when we get to committee we will be able to generate a little head of steam which in turn will lead to some money, increased appropriations, to deal with this very important problem.

Let me point out that Bill C-29 which is before us does help deal with the problem. I just want to go over the reason why. One of the main financing questions has been to supplement my department's $12,000 capital housing subsidy with programs from other federal departments. I want to tell the House today that after some discussions I think it is fair to say that we are in the final stages of developing a formula for using LEAP funds from CEIC, in a manner that coincides with the summer construction season. This has been a source of difficulty with the Indian people over the past two or three years. I think we are fairly close to an agreement that would allow these Canada Works funds to come in at the beginning of the season to maximize the construction period during the summer months.

Another important mechanism for financing Indian housing and for narrowing the gap between a decent house and what my department's housing subsidy can provide is through the provisions of the National Housing Act and its delivery agent, Central Mortgage and Housing Corporation. There have been and still are difficulties in applying the NHA to the particular circumstances of Indian reserves. However, improvements are being made, in particular some of the amendments proposed in Bill C-29.

The most important feature of the proposed amendments to the Indian people is the non-profit housing program, which is designed to increase the supply of low rent housing. This program enables non-profit groups and co-op groups, in this case Indian chiefs and councils, to develop the most appropriate form of housing at minimum cost to low and moderate income families and individuals. It is obviously potentially quite useful in the reserve situation since the majority of Indian people are in low and moderate income groups.

Many bands have been reluctant to use CMHC loans because of the requirement to incorporate. They felt that such incorporation would affect their Indian status and put reserve land in jeopardy. Amendments to section 15(1) remove the

major block to the utilization of CMHC programs in response to the particular concern of the Indian people which I have mentioned. As a result of amendments to section 15(1), Indians will be able to obtain all the benefits of non-profit housing without the necessity of having to legally incorporate as non-profit organizations.

How the non-profit housing program works is that it provides a mechanism for obtaining capital funds for bands to build houses and rent them to occupants wishing to supplement my department's $12,000 housing subsidy. The capital funds in this case come from CMHC, but not, until passage of this bill, from approved lenders, which is the important addition. These lenders normally require some form of mortgage for their funds. Following the passage of Bill C-29 the approved lenders will be able to make loans to Indians for housing on reserves without having to take mortgages on reserve property. My guarantee, as Minister of Indian Affairs and Northern Development, of repayment of the loan in case of default will be the security needed for such loans.

With respect to the non-profit housing program, there is already provision in the National Housing Act for interest reduction. Through an operating agreement with the chief and band council the interest rate on these loans can be as low as 1 per cent or 2 per cent. Thus, the payment schedule for the occupant to the band is only a modest amount. This bill should ease the problems that bands have in financing housing in this particular way.

Besides the non-profit housing improvements, the amendments also affect the application of RRAP, the residential rehabilitation assistance program. This program is designed to upgrade the existing housing stock in low income areas through a combination of low interest and forgivable loans.

Under a revised section 34.1 the amendments expand the scope of RRAP to cover all Indian reserves. Henceforth all Indian bands will qualify for assistance, irrespective of the location of the Indian reserves. Formerly, it was a requirement for participation in RRAP that Indian reserves be located in areas which provinces designated as high unemployment. As is frequently the case, Indian reserves with high rates of unemployment could be located in areas of otherwise high employment. With the passage of Bill C-29 this will no longer make such affected reserves ineligible for RRAP.

Indian leaders in Canada have been consistent in their representations as to how we must address the housing problem on reserves. They are saying that the authority and responsibility for delivering a housing program must be at the level of the Indian band council. Members here today will recall earlier remarks I have made in this House endorsing the concepts of Indian control and Indian self-determination. Our housing program direction is aimed very much along the line of this philosophy, although progress is often agonizingly slow.

The amendments concerning non-profit housing are designed to further the objective of placing housing responsibility at the band level. At the same time the department is setting up regional Indian housing councils to help monitor and supervise the implementation of the housing program.

Indian people also say to me that my department should be responsible for co-ordinating financing and programming sources for Indian bands or groups of bands. My participation in this debate and the provisions to tailor the NHA to reserve circumstances are a reflection of my commitment to respond to this co-ordinating responsibility.

Indian people are arguing that there should be a strong association between land tenure and the trust responsibility of the minister of Indian affairs. I believe in this context that Indian bands need to be able to develop mechanisms for granting tenure without jeopardizing the status of reserve lands. As I stated earlier, this bill will provide greater flexibility in this respect.

Finally, Mr. Speaker, we all have an obligation to continue to work with the Indian people to try to solve the problem of Indian housing, and to work with the Indian people in a meaningful way, because in the final analysis they may be and probably are the best judges of how housing problems on the reserves should be handled. I happen to believe that the bill before us in that respect is a contribution to the objectives I and the Indian people have, and of course I welcome them.

I would like for a moment, if I may, to look at the bill in terms of my mandate as the minister responsible for Parks Canada, particularly the national program of historic conservation and commemoration. You may not know this, Mr. Speaker, but there are some one million buildings in Canada which were constructed prior to 1920. These buildings are a highly valuable resource in terms of capital investment, the labour and culture they represent, yet many of these are in a poor state of repair and are often threatened with demolition.

● (1600)

The loss of historic properties and the destruction of neighbourhoods and streetscapes is a continuing drain on our national built heritage. CMHC is being most helpful in encouraging recycling, renovation and heritage preservation in Canada. There is an emerging policy thrust in heritage, and my colleague referred to existing practices in a speech to HUDAC last week.

This bill should complement these CMHC practices in the following ways. First, provision is made in the bill for obtaining funds for non-residential heritage property conversions. This means that in addition to financing the renovation of existing rental properties, the financing will be extended to cover, for example, the conversion of old warehouses to apartments where heritage improvements are being undertaken.

Second, through the RRAP program the bill will help heritage renovators by increasing the attractiveness of heritage projects to private lenders. The bill provides for insurance of privately financed residential rehabilitation under RRAP. This provision replaces a direct loan program by CMHC. The advantage of it is that in future, when refinancing of mortgages is permitted by CMHC, heritage renovators will be able to refinance multiple mortgages to obtain a single mortgage at first mortgage rates.

Third, the bill facilitates non-profit housing co-operatives by relaxing the membership requirements from the stipulation of 80 per cent to 50 per cent of members or shareholders also being residents. In conjunction with the introduction of this bill, CMHC has been encouraging non-profit co-operatives to enter into the field of heritage restoration through the RRAP program. Thus financing will be made somewhat easier for persons wishing to recycle older buildings. Bill C-29 helps to meet the widespread concerns Canadians have for preserving our built heritage.

Other initiatives have been taken recently. The week before last, for instance, I set up a study group of senior officials from the Departments of Finance, Public Works, Secretary of State, CMHC, my own department and Heritage Canada to consider proposals and present within a month recommendations for government action to help save our built heritage. They will be focusing on tax policy, and in particular on possible ways to neutralize the tax incentives to demolish buildings. Tax laws affecting demolition are strongly believed to have unfortunate consequences for heritage conservation. This theme became very clear in the meeting the cabinet recently held in Toronto where we received a submission from Heritage Canada. That was the brunt of their presentation to cabinet.

This government feels that it is important to encourage the recycling of the built structures in this country. It is a matter of avoiding the irreparable mistake of wasting this important resource. It is clearly a waste of material, workmanship and energy to destroy buildings. The buildings we live in and work in are a vital and tangible part of our heritage.

Heritage preservation makes economic sense as well. It usually means renovation, and renovation is particularly labour intensive. Studies have tended to show more jobs created through investment in renovation than an equivalent amount in new construction.

At the beginning of this month I met with groups of professionals and businessmen and with representatives from municipal and provincial governments to discuss actions that the government and the private sector can take. There was strong support for the initiatives the government is now discussing. As a result, there is a concerted effort between the government and concerned elements of the private sector to consider ways to stimulate and provide incentives for investment in heritage structures. This group also stressed the importance of the role of CMHC. The bill under consideration at the present time is another measure to increase the participation of the private sector. The private sector is concerned about the adaptive re-use of buildings and is ready to act. This government is responding. This bill is an important part of that response and a demonstration that the government is determined to take action.

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, in rising to contribute to the debate on Bill C-29, I cannot recall how many times in the six and a half years that I have been here that we have been asked to contribute to a debate on the housing policies of this government.

[Mr. Faulkner.]

I recall the first time I spoke in a debate such as this in 1973. My advice to the government then to solve the housing problem in Canada was for the government to get out of the housing field. The minister of the day, Ron Basford, now a private citizen living in Vancouver, followed my advice to the extend that he got out. First he got out of the housing and urban affairs ministry. A few years later he got out of the justice ministry, and not too many weeks ago Mr. Basford got out of this parliament.

There are quite a few members opposite who should follow my advice and, along with the government, get out of the housing field. In fact, they should get out altogether. Maybe at the time of the next election the electors will take care of getting a few members opposite out of this parliament. They can follow the example of their former colleague, Mr. Basford, and take up private life wherever they happen to come from.

It is now the intention of this government to do something drastic with the Ministry of State for Urban Affairs. Maybe the whole thing will be wound up. That would be good for the Government of Canada. It would also be good for the people of Canada.

Another time I contributed to a debate on the housing policy of this government was in 1975. I want to quote briefly from *Hansard* for January 27, 1975, page 2631, a speech I made at that time:

> I have mentioned the basic problem in speeches before today, namely, government interference in the housing industry. I have cited examples of high-cost government housing, the need for money in lieu of shelter so that the individual or family can be free to choose their home. I quote from an editorial which appeared last September in the Vancouver *Province*:
>
> "—our housing difficulties, particularly in the rental field, compose a classic case of problem creation by government.
>
> It continued:
>
> We did not begin to experience real rental shortages in this country until the federal government removed the tax incentives that channelled a lot of private money into rental accommodation."

They have not learned. They have not done anything to reintroduce this incentive on a permanent basis. As a result, there is continuing confusion in the housing field in Canada today. I want to read another short excerpt from that speech:

> Let me say just a word or two about what the minister himself said. He is credited with saying that the intent of his bill is aimed at increasing the supply and holding down the cost of housing in the low and medium price range both for home ownership and for rental. He says that if we are really going to meet the demand, we must draw much more heavily on private capital. Of course, the minister cannot draw on that private capital by himself but needs the co-operation of his government. The government, in the past two successive budgets, has indicated it is not able or willing to control the economic situation in Canada so that private capital will be attracted to those areas to which certain government ministers wish it attracted.

● (1610)

No action has been taken by the government to try to correct the situation which existed four years ago. Billions of dollars have been diverted to the United States. Expertise in the housing industry has gone to the United States. We see the sorry spectacle of Canadian expertise and Canadian capital providing housing for Americans. The government does not ask itself why that happens. It keeps coming up with more and

more programs, which reminds me of the old saying that we certainly have too much government in Canada, but thank goodness we do not have as much as we are paying for. We need only look at the publications of the Ministry of State for Urban Affairs to realize where we are.

I have with me two booklets, one put out by the Central Mortgage and Housing Corporation and one by the Ministry of State for Urban Affairs. The publication put out by CMHC is a list of its publications, and it runs to 11 pages. The companion booklet put out by the Ministry of State for Urban Affairs contains a list of its publications, and that booklet runs to over 25 pages. It is clear that we have too much government, but the government opposite just continues with its policies and seems to think everyone likes them.

I think we should look for a moment at where we are now, six years after I first made a speech about housing in this House. We have the very same problems we had six years ago. It is true that some programs have been introduced. The government has given us an alphabet soup of programs. We have CHIP, we had DIP, and we have NIP. We have AHOP, ARP and RRAP, not to mention GPM, the graduated payment mortgage, about which I will say a word a little later.

In the last six years we have seen a dramatic increase in the level of interest rates for mortgages. However, people who are in the market for mortgages can be somewhat thankful now that there is so much money in Canada looking for something in which to invest.

Mortgages are actually available now at rates lower than bank loan rates. Mortgages are available at under 12 per cent in some instances, whereas the prime rate for bank loans is now 12 per cent. Higher interest rates, of course, magnified what was already the largest single component in the cost of a house over the years, but higher interest rates are understandable, expected and, in fact, necessary in order to attract capital for any kind of investment. If we reflect on the rates of true return some decades ago, we can see that capital was invested for a return of somewhere in the neighbourhood of 3 per cent. In the past decade or so inflation rates have ranged from between 7 per cent and, I suppose, 11 per cent. One naturally has to have an adjustment in the rate of return on capital; otherwise there will not be any capital available at all.

The high interest rates we have now are a direct result of the policies of the government opposite. The government has a lack of ability or willingness—I do not care which—to control inflation, the great robber. Why does the government love inflation so? The government loves inflation so much it is married to it. I do now know if we can tell exactly why, but one reason might be that inflation gives the government an opportunity to steal from the taxpayers of Canada. Inflation allows the government to reduce the value of the debt it must pay in the future, and this, of course, is at the expense of those who can least afford it, those on fixed incomes.

We might wonder whether it is really true that the government relies on inflation or loves inflation, but let us examine two of its current housing programs and see how they require continuing inflation in order to succeed. One of these programs is the assisted rental program, ARP. After the government destroyed the incentive aspect of investment in rental housing it found, as it was told it would, that the supply of rental housing dried up. The government's solution was the assisted rental program. The purpose of that program is simply to reduce the economic rent for a rental property to what is called market rent. The government makes up the difference to the landlord. However, that money is not just given to the landlord. Even this government would not want to do that, so the money is lent to the landlord, albeit interest-free for the first ten years. Then the landlord must start repaying. If we do not have continuing inflation, the mounting debt created by the advances to the landlord in the early stages of the assisted rental program loan will bankrupt the landlord. I do not think the government wants all those landlords to go bankrupt.

I do not think the government realized what it was doing, but that clearly is the effect of the assisted rental program. It needs to be re-examined by the government and particularly by the Minister of Finance (Mr. Chrétien) so that he can see the danger of these policies for the Canadian economy and for investors in Canada.

Let us consider the graduated payment mortgage, wherein payments by the home owner or purchaser for the first few years are at a lower than normal level. After a stated period, which is to be flexible—it might be three years, five years or more—the amount of the payments jumps up all of a sudden, presumably because the purchaser is in a better position to pay a larger payment later on. The problem this creates is that before the point at which the mortgage payments increase, the excess interest which is not covered by the initial payments has eaten into the home owner's equity in the property. Unless we have continuing inflation, home owners would then be in a loss position on the investment. If we do not have continuing inflation, we will have the situation we already have at some AHOP projects in which home owners simply have no equity. They treat what they have paid as rent and walk away, leaving communities in some cases to become ghost towns.

The other flaw in the graduated payment mortgage idea is that while the home owner may be in a better position and have a higher income five years down the road, all his other costs will have gone up too, and unless he is able to keep ahead of inflation by getting promotions and the like, he will not be any better able to pay higher mortgage payments then than he is now.

Having given a couple of examples of the government's apparent reliance upon continuing inflation, I want to say something about the effects of the inflation which the government has allowed to continue. We know that during this calendar year the national debt will rise above the $100 billion level. We are used to talking about billions, and perhaps $100 billion is a figure which some people can grasp. After all, it amounts to only two years' total expenditures of the Government of Canada. Let us put this into perspective. Let us divide that by the number of people. Let us get a per capita amount for that debt. That amount is about $4,300 per Canadian. Mr. Speaker, you and I may be able to handle our share, but what

about the family man who has four dependants? If we multiply his per capita share by five, will he be able to come up with his $22,000 share of that national debt? The answer, of course, is that he will not, unless it can be stretched over a large number of years.

In the meantime we are now faced with interest on the national debt of some $8 billion. Translated into the terms of the current budget, that is about 15 per cent of the total expenditures of the government of Canada this year; 15 per cent of $52 billion is about $8 billion which we owe in interest on the national debt. That does not say anything about raising a little extra capital to pay it off. Somebody has to pay that off. If the present government is not willing to, perhaps they will be looking toward another government which will at least get things turned around and going in the right direction. We cannot spend ourselves out of debt, any more than could New York City or any other city or province, or any more than can any other household or individual. After all, Mr. Speaker, the government is simply operating essential services in the name of you and me; at least that was the original idea. For them to go on this profligate spending spree is abominable.

• (1620)

What are the facts of the situation? Where are we now? We hear a lot about problems in the housing field, the housing shortage, and so on. There is no housing shortage in Canada today. In fact, on the new housing market there are some 70,000 unlived in and unsold houses. Vancancy rates in rental properties in many areas are soaring. It is true that you will not find them in the densely populated cities because that is the popular place to live, but I can take you to many areas in British Columbia, and probably in many other parts of Canada, where vacancy rates in rental properties are soaring. One has only to look at the Ottawa *Citizen*, which I did this weekend, to find eight pages of houses for sale in Ottawa. How can they say there is a housing shortage? We say there is not. What there is in Canada today is a shortage of money. People who want to buy houses do not have the money to buy them; or, translated in another way, we can say that the problem in Canada today is that there is an inadequate supply of affordable housing.

I have to refer to my 1975 speech again because, when I was reviewing some notes for today, I found a gem of information there.

Mr. Knowles (Winnipeg North Centre): Has anybody else found it?

Mr. Clarke: I think my friend, the hon. member for Winnipeg North Centre (Mr. Knowles) will like this because I am calling on the Canadian Organization of Public Housing Tenants for support. It turns out that they realized the problems which this government has presented to them and wrote the following in their official newsletter "The Raised Roof", the first page of which is headlined "the problem is not really housing". In their lead editorial they said:

The group has tried to show members of government, housing corporations and authorities that the problem in housing is not really housing, but the entire economic question, of which housing is merely one part.

Of course, those people know better than anybody in the House, that the sure answer to the housing problem is adequate money. Anybody who has enough money can go and find himself a house anywhere he wants to live. So it is a shortage of affordable housing. It may be that in place of all the expensive government programs we have today we may end up having to look at some kind of assistance. As I said four years ago, I have often maintained that the needy should be given a housing allowance to do with as they wish. Not everyone wants to live the same way and not everyone wants to live where the government says they should, in so-called public housing. I will be speaking about the experience of our friends in the United States and the problem they have had with the bureaucracy, with the administering of these programs and with the acceptance of them.

I suppose we can expect that kind of talk from a government which has a Minister of Industry, Trade and Commerce (Mr. Horner) who says a home is a luxury and that his government wants to tax luxuries. They have shown their inability to gauge the needs of the industry through their tax policies. I am sorry the Minister of Finance has left the chamber because he might be interested in making a few changes on this score.

An hon. Member: Here he is.

Mr. Clarke: The Minister of Finance has returned. He may want to consider some day the detrimental effect of some of his government policies on housing. I understand the ministers opposite seldom consult with each other, and on most days they do not even talk with each other, we are told. There is a situation in Canada today where the government says they are trying to encourage home ownership and encourage young people with young families to buy homes, and yet young people working together for their future are now taxed at the highest rate possible. There is no tax shelter they have been given to allow them to save their money to purchase a home.

Mr. Chrétien: There are some.

Mr. Clarke: The minister is going to say there is RHOSP. All I can say is that the RHOSP with its $1,000 a year to a maximum of $10,000 was an absolute joke. Furthermore, it was not an incentive to buy a house because the only way one could benefit from RHOSP was to save money, not to buy a home. What kind of way is that to stimulate the economy? The hon. member for Hamilton West (Mr. Alexander) and I told the Minister of Finance at that time that the RHOSP was a crazy plan because what it would do was allow the hon. member for Hamilton West, for example—

Mr. Chrétien: Balance budget.

Mr. Clarke: So balance budget is the name of this game now? The hon. member for Hamilton West would be allowed to collapse his registered home ownership savings plan and go out and buy furniture for his wife's house which she had

already owned for 20 years. What kind of a plan to encourage economic activity or to encourage housing is it? In the meantime, through inflation and higher costs of all sorts we now find that older Canadians are being taxed right out of their homes. They cannot afford to stay in their old homestead where they have lived for 30 years or more and where they want to stay.

I have dealt with where we are now, with what the old problems were and what the problems are at present. Now perhaps we should take a look at the solution. I am happy to say that my leader has offered a solution. Some of the details of it are well known. Basically, it is an economic policy with housing overtones and with very definite social effects as well. It is recognized in North America generally, but in Canada as well, that home ownership is the dream of families. It is true that all families will not be able to have their dream; nevertheless, the government should not make it more difficult for Canadians to achieve their dream. So we on this side say that tax deductibility for mortgage interest and property taxes would aid Canadians who want to buy a home.

Mr. Chrétien: That is not what you were saying two years ago in your riding.

Mr. Clarke: What we have now is a situation where young people are not encouraged to buy their homes, which means a drain on the housing market because there is not the activity necessary to contribute to the over-all economic well-being of the country.

Why is the government opposed to our proposal? The obvious reason is that the government did not think of it first or, if they thought of it first, they did not get around to acting on it, which may be more the truth. The Minister of Finance says it is a program for the rich. It is obvious that the rich do not care about a program such as this. The rich already own their own homes. If they are rich, either they are without mortgages or they have assets of sufficient size that they are able to arrange to have their mortgage interest deductible.

● (1630)

It is a long standing rule in our Canadian tax laws that any expense laid out to earn income is deductible. If a taxpayer borrows money for the purpose of earning income, such as buying bonds, stocks, a revenue-producing building or registered retirement savings plans, the interest paid by the taxpayer is deductible. But if he borrows money to buy a house, it is not deductible. It is so mixed up that even if a taxpayer sells his home, takes back a mortgage from the purchaser, then purchases another home and assumes a larger mortgage therefor, the poor taxpayer must include the interest income in his income for tax purposes, but he is not allowed to deduct the interest which he is paying because of receiving this interest.

Under Canadian tax laws it is very important to follow the line carefully and not be confused. One must take the correct step at the correct time. Otherwise, the minister's henchmen come along and say: "That is not what we meant; you must pay". I know it can be done. I am a chartered accountant. I used to do some tax practice before I came here. Now I have so much to do here that I can hardly keep track of what is going on in the tax laws. But any Canadian taxpayer who has any amount of assets at all can deduct his home ownership interest under the present rules, with good tax advice.

The minister indicated that this is a program for the rich. If the rich can get around this and deduct their mortgage interest anyway, let us have a program for the poor. We should let the poor deduct their mortgage interest, too. Let us not restrict mortgage deductibility to the rich. In any event, the rich have their houses; they are not the ones we on this side worry about. The rich who own their houses are not about to remortgage them unless it is for business purposes. In any event, they can easily go to the bank with their clear title certificates and borrow money if the rates are more favourable. One can be sure they will. The plan which my leader has outlined carefully throughout the country has been extremely popular, and so it should be. Canadian taxpayers and residents realize there is something in it for everyone.

Mr. Chrétien: Increasing the deficit.

Mr. Clarke: It will help young and old home owners and renters. It will help the young who are either just forming households or those who are now renting and want to become home owners. It will mean they will have the benefit of lower monthly payments than otherwise. The old home owners, the ones being forced out of their homes by the government's economic policies because the size of their pensions and savings are shrinking, will be given the right to deduct their property taxes. It will provide them with a savings and help them to stay in their houses. There is no reason for the old folks to be forced out of their houses by some uncaring government. It will help young renters because it will be easier for them to make the transition from rental to home ownership. The older people who are renters because of choice and want to live in situations other than single family homes will receive a benefit and encouragement to move to condominium type residences or to convert their properties if it can be done. Condominium type residences would provide them with the rights of home ownership and would allow them to deduct their property taxes and interest like everyone else.

The hon. member for Westmount (Mr. Johnston) participated in this debate on March 1. I should like to refer to some of his comments because he and I were members of the task force from this House which went to Washington. There were five members of the task force. We went to Washington to receive information on the United States experience with this type of program. The hon. member for Westmount started his comments by saying the following:

Mr. Speaker, my intervention in this debate will be quite limited.

I agree with him. His intervention was limited in content, but it was not limited in time. As nearly as I can calculate, he ended his contribution approximately 30 seconds before Your Honour would have risen to interrupt him because his 40-minute time limit had expired.

The hon. member pointed out that this type of program should not be embodied into the tax system, that there should be different kinds of incentives to encourage people to purchase their own homes, something which could be put on one week and taken off another week. That is exactly the kind of tax policy which has destroyed the Canadian economy. No taxpayer has had the opportunity of a program being in place long enough to know whether he is coming or going when dealing with the government.

The hon. member referred to the severe consequences of withdrawing this program, if necessary for cyclical reasons. If the hon. member for Westmount were present in the chamber, I would ask him: "What about the old folks who are having their purchasing power withdrawn by the government's economic and inflationary policies?" Does the hon. member not think there is a severe consequence in withdrawing purchasing power year after year? Of course there is.

Also the hon. member for Westmount talked about using a tax credit instead of tax deductibility. We have come a long way since 1917 when we had our first income tax approximately 62 years ago, and people are finally accustomed to the idea of having something deductible from their incomes in arriving at taxable incomes. It is something which makes sense, and many things are deductible. Hon. members have only to look at their experience as politicians to realize how difficult it is for the average taxpayer to digest the tax credit concept. We have only to look at the difficulty in our constituencies of people understanding the effects of a tax credit when they give money to a political party. The hon. member for Westmount is a tax practitioner. For him to suggest something which would make the tax system more complicated rather than less complicated, I cannot understand.

Also the hon. member suggested that there should be tax cuts for all instead of tax deductibility for a few. Then we would have no way of telling whether the moneys left in the people's hands by way of tax cuts would be used to stimulate the economy which so badly needs stimulation.

As my leader has said on other occasions about his economic policies, we want Canadians to take their money out of their socks and put it into stocks. I am sure that putting money into housing would have the same multiplier effect as putting it into stocks. The point is: the money is active and doing something instead of being kept in a sock or in a low interest paying bank account to be lent out by someone else.

Also in his speech the hon. member referred to a few examples and compared our system to that of the United States. But unfortunately he omitted several credits from his examples and perhaps did not give the information he intended. It has been eight years since the last tax reform which the government assured would give equity and simplicity. I am sure there is not a single taxpayer who would say that we have achieved either simplicity or equity. The policy of my party would give some sense of equity to Canadian taxpayers and allow them to stimulate the Canadian economy by encouraging the housing industry with the purchase of homes.

[Mr. Clarke.]

Previously I mentioned the trip to Washington. I should like to make some comparisons between the system in effect in the United States and what we propose on this side. The system in the United States has been in effect for 66 years, ever since its tax law was introduced in 1913. All interest costs, including mortgage interest, have always been deductible, as are all state and municipal taxes. So they have an altogether different system. In the United States an individual is allowed to deduct $1,000 as a personal exemption. In Canada this year the amount is $2,400. In the United States they have to deal with 23 million tax returns which involve tax savings as a result of the government's taxation policy. Translated into percentages this means that 26 per cent of all U.S. tax returns filed bring some kind of benefit as a result of tax deductibility; the others are satisfied by the standard deduction which, in the case of a married couple, is $3,200 in addition to the personal exemption of $1,000.

• (1640)

We also found that fully 50 per cent of home owners in the United States have no mortgages of any kind on their houses. Of the remaining 50 per cent, 25 per cent have mortgages on their homes but the deduction does not give them any benefit over and above the standard deduction. Thus, only 25 per cent are taking advantage of the policy.

The plan has been criticized on the ground that it contains no benefit for tenants. I ask hon. members to think for a moment. If we can get some of these tenants out of the homes they are presently renting and encourage them to buy homes, we shall be increasing the supply of rental housing or reducing the demand upon it. To look at things in another way, the effect will be to reduce or hold steady the level of rent which has to be paid for these units. Thus we would have helped tenants who choose to stay on as well as those who wish to leave by making it easier to move out.

We have heard criticism on the ground that the people of the United States did not really want this program but that once it has been introduced it could not be removed because it was politically popular. Of course, it would be unpopular for the bureaucrats in the government to get rid of it because those who are benefiting from the program like it very much. Incidentally, we were astonished by the size of the bureaucracy required to run the very many housing programs which are in effect in the United States. It is enormous, and we cannot imagine anything like it in Canada. But the tax deductibility scheme in the U.S. is run through the Internal Revenue Service in accordance with a simple procedure which does not require any addition to the bureaucracy; not even 600 people, as in the case of the AIB, and not even 100, as in the case of the NCI.

So there is what is called a reduction in revenues to put money into the system where it belongs without requiring the creation of an extensive bureaucracy along the lines that almost all housing programs seem to require. One figure I have here shows that the government was spending $250 million on housing programs in a recent taxation year.

What happened in the United States was this. We found a situation reported to us in which poor people who needed housing assistance from the government were living in homes which were almost palaces in middle class neighbourhoods, whereas the middle class taxpayers who were paying for this subsidized housing could no longer afford to live in housing of a comparable quality. Is it any wonder, then, that the middle class is rising up and supporting a program which will allow them to live a little better, when they see people who are supported by their tax dollars living in a classier manner than they themselves can afford?

The policies we have put forward will be accepted by the Canadian people. The lack of action on the part of the government in planning the economy in such a way that ordinary people can still afford to buy houses and live in them afterwards is an example of poor performance that Canadians will not accept.

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member but his time has expired. He may, however, continue by unanimous consent.

An hon. Member: No.

Mr. Ian Watson (Laprairie): Mr. Speaker, the bill which is before us today is both useful and welcome. I am glad to note that the sources of funds available for housing in Canada will be broadened by this measure. I am happy, too, with the heritage preservation provisions to which the Minister of Indian Affairs and Northern Development (Mr. Faulkner) referred earlier in the debate. They will allow for CMHC guarantees to be used in a more effective way to permit greater private financial participation in the preservation of both neighbourhoods and individual buildings.

In my view, it is of great importance that buildings to which special merit and associations are attached should be preserved. They enhance the quality of life in our cities, improve the atmosphere of the neighbourhoods in which they exist, provide a link with our past and are increasingly popular focal points for the renovation of our city cores. So this bill, with the possibility it offers for increased private financial participation in the work of renovation, is indeed welcome.

I am also pleased about the provisions which will allow greater access to funding under the National Housing Act on the part of Indian people. In the last few years we have seen situations where many Indian people refused to utilize the method of establishing corporations to take advantage of the non-profit sections of the act. As a result, the housing programs which are available to them are much more restricted than might have been the case.

● (1650)

In my own area of Caughnawaga there were over 1,200 men unemployed last year, most of whom were experts in the high steel industry. They were not able to take advantage of this large reservoir of unemployed skilled men to build the housing which was needed and which many people on this reserve could afford, simply because there was no means of tapping the funding available under the National Housing Act.

These changes are very useful, and I would urge the House to pass this bill soon so that this funding can be made available for native people on reserves across the country who are desperately in need of better housing and who up to now have been restricted in their ability to achieve this housing because of the limited funding available from the Indian affairs department itself.

One aspect of the situation regarding access to funds available through the National Housing Act for Indian reserves which I feel the government should consider at second reading as a possible amendment to this bill is with regard to opening up the provisions dealing with land banking or land assembly which existed under the National Housing Act previous to the announcement by the government that it was ending this program with the provinces. This section is still in the act, as I understand it. I feel strongly that this particular provision should be opened up to Indian reserves. The reason is that many Indian reserves, especially those close to cities are experiencing the phenomena of land and buildings being sold at fire sale prices because Indian land and buildings can only be sold to other Indians. For example, in an estate sale, or where one must sell land for one reason or another, there is a limited market for the sale of that land. Usually there are about half a dozen people or less on a given reserve who happen to be successful businessmen or who have amassed money in one way or another, and they end up acquiring huge amounts of land on a given reserve. These are Indian people who have done well.

It goes against the tradition of all the Indian groups across Canada to have what was originally considered communal land but for which usufructuary rights were recognized, now being concentrated in a very few hands, and often acquired at prices which are unfair to the people or the estates selling the land. A very slight amendment in this bill would allow the land banking provisions or the land assembly provisions of the act to take effect, and if this were the case it would be possible for a band council to acquire funding from National Housing Act sources such as CMHC and thereby acquire the land at reasonable prices. They could preserve that land for the use of either the community or for resale at a more equitable price to other Indian people. It is a very unhealthy situation which is developing in this regard, and I urge the minister of Indian affairs to give my suggestion serious consideration. I will be raising my proposal again when this bill is before committee following second reading.

One other item in this bill which I like is the reference to community services. Unfortunately, the provision is not operative until 1980, but it does offer the potential of flexibility which will allow communities to do many of the things which they themselves have found are working well with some of the existing programs, such as the neighbourhood improvement program. This is a program which the government has decided to terminate, and I regret that very much. This program has done some interesting things in several areas of Canada,

including my own constituency of Laprairie in the village of LaPrairie. I would urge the minister to be most sympathetic in considering whether or not to allow this sort of program to continue under the new community services title.

Over the years I have heard a number of interventions by the opposition with regard to housing. There seems to be one theme which they constantly repeat. Perhaps the official opposition does not take the extreme position of the hon. member for Vancouver Quadra (Mr. Clarke) that the government should get out of housing altogether.

Mr. Clarke: That's what the board people say.

Mr. Watson: Nevertheless, the position of the official opposition to a great extent has been, "let the private developers do it." What they are saying is that we should let the private developers make their profits, let them speculate and let them do what they did in Toronto and around Ottawa. House prices in Toronto are approximately $20,000 higher than they should be and probably $10,000 higher than they should be in Ottawa. These higher prices have resulted simply because governments—and this includes our own because we do have some responsibility in the Ottawa area—have allowed situations to develop where land was acquired almost entirely by a small group of developers. The end result of this monopolization of land ownership around cities such as Ottawa and Toronto is tremendously higher prices for housing than are necessary.

Mr. Clarke: You want more state control.

Mr. Watson: Since 1953 we have had on our statute books laws which permitted land assembly. The hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), who was undoubtedly responsible for the land assembly effort in Saskatchewan, is well aware of the successful land assembly program in that province. There land prices have continued to be among the lower land prices in the country around cities, and this is largely due to that government taking advantage of the land assembly provisions when land was still inexpensive.

Had this very same thing been done around Toronto and Ottawa, these two cities would be facing an entirely different situation today. These people who urge the federal government to get out of housing and out of urban affairs, unfortunately, seem to be having some success because we seem to be taking their advice. But what does it mean to get out of urban affairs? It means higher prices for the average home owner over the long run. Home prices in Ottawa could have been controlled by a combination of land assembly, National Capital Commission policies, government hiring practices, government renting practices in its buildings—

The Acting Speaker (Mr. Turner): Order, please.

[Mr. Watson.]

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Turner): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn)—Labour Disputes—Action taken to avert possible strike of Vancouver dock workers; the hon. member for Madawaska-Victoria (Mr. Corbin)—Regional Economic Expansion—Inquiry whether agreement reached with New Brunswick on additional development; the hon. member for Fundy-Royal (Mr. Corbett)—Trade—GATT negotiations on non-tariff trade barriers.

● (1700)

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

PRIVATE MEMBERS' MOTIONS

[*English*]

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, it seems there is unanimous consent that we proceed to notice of motion No. 17 and that the preceding notices of motions be allowed to stand.

The Acting Speaker (Mr. Turner): Is it agreed that items Nos. 7, 9 and 16 stand by unanimous consent?

Some hon. Members: Agreed.

* * *

AGRICULTURE

ADVISABILITY OF INTRODUCING BEEF IMPORT LEGISLATION

Mr. Bert Hargrave (Medicine Hat) moved:

That, in the opinion of this House, the government should consider the advisability of introducing beef import legislation to establish reasonable quotas on the importation of fresh, chilled and frozen beef and veal, including provisions to relate imports counter cyclically to the domestic beef supply cycle, and to thereby assure consumers of more stable supplies.

He said: Mr. Speaker, it is my understanding that this is the first debate on a motion or bill to come before the House on the subject of a Canadian beef import law. During the last session there was a private members' bill that did not reach the House and there are at least two more private members' bills on the order paper. Needless to say, this exercise is a labour of

love that I am privileged and proud to be involved in on behalf of Canada's beef cattle industry.

I am proposing new legislation involving the importation of beef, such legislation to include the following aspects: it should apply universally to beef imports from all sources; import quotas should be established annually based on historical averages that relate to the traditional beef cycle as experienced in Canada and the United States; imports should be inversely related to anticipated domestic beef supplies, the quota formula should reflect a provision for counter-cyclical quota adjustments, and live cattle should not be included. I see no reason to incorporate a price limitation since quantity quota limitations that reflect our domestic supplies should assure consumers of more stable supplies of beef. There should be no need to increase the import tariff on beef. This is in recognition of the trade we have with the United States.

These are the essential component parts of my proposal and I will return to them in more detail later.

Hon. members may ask why we need a Canadian beef import law, why we should not just continue with the annual quotas set by the Export and Import Permits Act as was done in 1977, 1978 and for the current year 1979. There are a number of important reasons for this. Canada is the only country involved in meat importing that does not have such legislation at the present time. The United States has had a meat import law since 1964 and its application—or, more properly, the threat of its application—has been very effective. In its operation, the United States asks for voluntary limitations on beef exports by exporting countries to levels suggested by United States quotas.

I should like to deal in particular with 1976. With respect to beef imports and in particular offshore imports—that is, from New Zealand and Australia—that one year provides reasons enough for a Canadian beef import law. During that year we imported 183 million pounds of beef from Australia and New Zealand, an increase of 63.9 per cent over 1975. This represented the equivalent of 523,000 head of live cows or half the total cows slaughtered in Canada that year. The cow comparison is made because those offshore beef imports competed directly with our cow beef. If we had been short of domestic beef supplies in 1976 as we are now, our Canadian cattle industry might have tolerated this, but 1976 was also the year of our all-time high record beef production. By comparison, our cattle numbers today are about 18 per cent lower.

That year, 1976, was also the year of the infamous "six cents under" rule established by our government. This decreed that all offshore beef entering Canada had to be discounted at not less than six cents per pound under the same types of meat entering the United States. These price discounts were usually 20 to 30 cents per pound below the U.S. level for the same imported beef and of course established a Canadian ceiling on cow prices at what were generally considered disaster levels. Today, two years later, I am firmly convinced that the negative impact of these two items on our domestic industry was the major reason for delaying the turnaround in cattle prices by a full year.

Thanks to their import law United States offshore imports were 7.8 per cent of domestic production in the key year 1976, and only slightly above their historical average. In Canada the corresponding figure was 12.6 per cent.

Canada and the United States share the same North American cattle and beef markets, so it is essential that both countries' proportional share of these offshore beef imports be approximately the same.

The Canadian cattle industry has just come to the end of the contractual phase of its ten-year cattle cycle. The earliest opportunity to begin the national herd rebuilding will be next fall when more cows will be retained and increased numbers of heifer calves held back for breeding purposes.

More than anything else our industry is looking for indications of confidence and stability. The last thing we need is another year like 1976. That confidence and stability could be brought about with the help of a Canadian beef import law that would establish an atmosphere of predictable confidence which could only come with proper legislation instead of ad hoc, year by year, behind the scenes manoeuvring.

I mentioned the beef cycle earlier and perhaps some further comments would be appropriate. We hear more and more these days about taming the beef cycle. This is a noble and commendable objective but we should not hold our breath in expectation. If cattle producers and consumers were to learn more about it and understand why certain phases occur, I think everyone would be much better off.

The traditional cycle lasts about ten years and the numbers peak at the midpoint—for example, in 1955, 1965, 1975—and it is anticipated that the next number peak will be 1985. The beef supply—not the numbers—peaks about two years later. The expansionary phase will begin late this year in the current new cycle, with additional hold backs of cows and replacement heifers—mostly heifer calves. This in turn will still further reduce cattle numbers available for slaughter.

The 1965 peak was barely noticeable because of a world demand for beef, especially from new consumers, and increased per capita consumption on a global basis. That state of euphoria for cattlemen ended abruptly with the world energy crisis. Food dollars that had been buying the most expensive food of all, beef, had to be diverted to energy use. The result was a global oversupply of cattle and beef and the most rapid sell-down of cattle numbers in our history. That all took place within two years. It will require at least four years to rebuild and the process cannot be speeded up because of the simple biology of the cow.

The Canadian cattle industry is in the early stages of recovery from the worst crisis in its history. For the previous four years, prior to early 1978, lost equity in the industry has been estimated at $400 million.

The numbers sell-down has been greatly exaggerated by the need to continue selling at today's very high prices, and for one reason only—to satisfy our creditors, mostly bankers, who financed those four years of losses.

● (1710)

Only three other countries produce cattle and beef which can be exported to Canada in any significant numbers. These countries are Australia, New Zealand, and the United States. Mexico is involved in a minor way since Mexico exports some cattle and beef but only to the United States. South American cattle countries are not a factor because of our animal and human health requirements which exclude them from exporting to the United States and Canada. The beef cycles of those three countries are synchronized with our own. The 1979 calf crop, not yet born, will not appear on our dinner table for at least another two years. From a per capita consumption point of view Canadians consumed 112 pounds of beef in 1976, the year of our all-time high supplies, but 108 pounds in 1977 and 102 pounds last year. The 1979 estimate is about 95 pounds. This is two pounds higher than the previous 10-year average ending last year. I maintain there is no shortage of beef, but there is a lower supply than there was in 1976.

The base period in the proposed beef import law should coincide with this beef cycle in some manner. I suggest we should have a ten-year base period, say from 1965 to 1975 if numbers are to be the key, or from 1967 to 1977 if supply is to be the criterion. If a shorter half cycle is necessary to start the policy, then use a five-year cycle which is balanced on either side of the high or low points. There is already a probable exception to this historical cycle in that the new cycle now starting will last at least two years longer because of the extra time required to rebuild our breeding herds.

There are valid reasons for not including live cattle in my beef import proposal. First, simply because the United States law does not cover live cattle, our legislation should not try to be more protective than the U.S. law. That is an important point. We cannot expect to get more than the American law when we are trading back and forth. The Canadian-U.S. trade in live cattle and beef is a two-way trade, whereas oceanic beef imports are a one-way trade item. Canada and the U.S.A. are essentially net importers of beef. Canada traditionally exports feeder cattle and cows, mostly from the west to the United States. The U.S. in turn exports fat cattle and/or beef to central Canada. In both cases this only occurs when appropriate market price conditions prevail. Canadians should not forget that the United States is essentially the only market available to us for both import and export purposes for live cattle and beef. In this regard I am referring to our commercial beef cattle industry and not to the purebred side of the industry.

The timing of my motion today is most appropriate in that Senate Bill S-13 on the same subject is now before their Standing Committee on Agriculture. I sincerely commend the Senate for their efforts in this bill. I would say it is a logical development of their in depth study of Canada's beef cattle industry concluding with their report of October, 1977. This report is entitled "Recognizing the Realities—a Beef Import Policy for Canada" and was the result of their committee listening to cattlemen talk about their industry across Canada. In my opinion, this Senate study and report has quietly put to rest the 1976 MacKenzie commission of inquiry into the marketing of beef and veal.

In his opening remarks on Bill S-13, Senator Sparrow had this short quotation, with which I thoroughly agree. It reads:

> The hearings indicated that the most critical and pressing problem concerned the importation of beef into Canada, or, more precisely, the lack of effective rules pertaining to the importation of beef into Canada.

The hearings mentioned above were those of the Senate Agriculture Committee on its travels across Canada. Senator Sparrow went on to say:

> Uncontrolled imports, without a firm long-term goal, backed by legislation, has caused numerous negative results for the Canadian producer and consumer.

As I have already indicated, I cannot support the inclusion of live cattle in this Senate Bill, nor do I feel that their use of "signal price" is essential or necessary.

Since my proposals have many similar features to the American legislation, some brief comment on their beef law seems appropriate. Last year a serious effort was made to amend the United States Meat Import Act of 1964. The 1978 amendment was passed overwhelmingly by the 95th Congress. It passed the Senate by a voice vote and the congress by a vote of 289 to 66, but it was later vetoed by President Carter on November 11, 1978. The amendment's principal clause dealt with the protection of producers during the liquidation phase. That is the phase we have just come through. It proposed to do this by means of a counter-cyclical formula. Live cattle will continue to be excluded in the American bill. The loophole in the old act relating to what they referred to as "slightly processed beef" would be closed. The President's veto was based on proposals to limit the President's discretionary powers in the proposed amendment bill. President Carter's veto memorandum ended with this quote, and I think it is very significant:

> I am prepared to work with the Congress next year—

"Next year" in this case means 1979.

> —to pass a counter-cyclical meat import bill which will provide the stability and certainty the cattle industry requires, while preserving the President's existing discretionary authority, and setting an acceptable minimum access level for imports.

That says it all as to why the amended bill last year failed to get the President's support, but indicates he is prepared to support a new bill.

With respect to my own proposal, I suggest that that provision might be made for periods when our Canadian beef import law can be suspended from time to time when conditions exist. I would be prepared to see that incorporated into Canadian law.

In conclusion, the concept of a Canadian beef import law has received wide support from across the nation, from government departments, both federal and provincial, from almost all cattle producer organizations across Canada, with major and detailed research and specific suggestions that have been supplied for several years from the Canadian Cattlemen's Association, and I am reasonably certain I can expect some

form of support from members in other political parties, including, I am sure, certain cabinet ministers.

We should all be aware of the joint policy statement issued by the Minister of Agriculture (Mr. Whelan) and the Minister of Industry, Trade and Commerce (Mr. Horner) last March 30, 1978. They proposed an import quota policy for the next three years, that is, from the March 30 date. That release concluded with this statement:

> If, at any time, it is not giving satisfactory protection to the Canadian beef industry, we will introduce legislation to control imports.

The "it" referred to is the policy.

The Canadian cattle industry is about to begin the rebuilding of its entire breeding herd after surviving the most critical period of its 100-year history. It is vital that this industry has unshakeable confidence in the long term outlook for our cattle industry. This rebuilding will take years. Let us not forget what happened to the Canadian sheep and lamb industry when offshore imports took over. Canadians today eat only about 1.8 pounds per capita of lamb or mutton. We need a Canadian beef import law.

• (1720)

Mr. Ellis: Mr. Speaker, I know a number of members want to get involved. However, I wonder if I might be permitted to put one brief question to the hon. member for Medicine Hat (Mr. Hargrave)?

Mr. Deputy Speaker: Because the time of the hon. member has expired, that can only be done with unanimous consent. Is there consent?

Some hon. Members: Agreed.

Mr. Ellis: Mr. Speaker, the hon. member for Medicine Hat has the most extensive and probably the most comprehensive knowledge on this subject in the House. However, he said one thing that raises a question for a farm boy from Hastings country. The hon. member mentioned the cyclical production of the various countries being synchronized. Is that a happy circumstance or something that is planned?

Mr. Hargrave: Very briefly, it is a fact of cow life. It has developed over hundreds of years. Every country is now in the same process that we are in, that is, involved in numbers that they can import or export. It is not that every country in the world that raises cattle has a problem like this created by the cycle, only Australia, New Zealand, the United States and Canada. They are the only countries with significant amounts of cattle and beef traded back and forth. Therefore, those are the only countries which have to live with this situation.

Mr. C. Douglas (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I congratulate the hon. member for Medicine Hat (Mr. Hargrave) on putting forward this motion today. As he said, it is a very timely motion, one which the cattlemen, the producers and the consumers are vitally concerned with at this time in the beef cycle.

Many times in this House we have heard complaints about the price of beef being too high, rising too quickly and everybody is to blame. I am not sure that anyone is to blame for the prices. The price that the consumer in Canada pays for beef, veal and produce such as that has remained almost constant in the past 20 or 30 years compared to the buying power of the worker. In 1950, he spent about 2.5 per cent of his disposable income on beef. That is exactly what he spends today. It costs about 2.5 per cent of his wages for the beef that he buys to put on his table. The difference, as was pointed out by the hon. member for Medicine Hat, is the amount the housewife is buying. In 1950, Canadians consumed approximately 50 pounds of beef products per capita. In 1979, it is estimated we will consume about 95 pounds per capita.

The increase in the amount of beef and beef products consumed has been rather remarkable over the past 20 years. It is also remarkable that the price of that beef still accounts for 2.5 per cent of the total income of the wage earner. There is no lack in the amount of beef. It is the demand for that beef that has risen substantially over the past 50 years.

I come from a large finished-beef producing area in western Ontario. I have the honour of representing one of the largest beef producing areas in eastern Canada. Stability of price, both for the finished product and input costs, has a resounding effect on the over-all economy of the area I represent.

It can be seen from my opening remarks that I am certainly in favour of the motion put forward by the hon. member for Medicine Hat. In fact, I am the one the hon. member was referring to in his opening remarks. I have a bill respecting the importation of beef which I hope will be discussed during private members' hour, hopefully before we are out of here. I hope the hon. member will take part in that discussion as well.

Like the hon. member for Medicine Hat, my concern is not only with stable supplies but with stability of demand for the primary producer. This is borne out by the fact that I have a bill, which will give to the Minister of Agriculture (Mr. Whelan), the power to impose import regulations when in his opinion the economic and national interest of Canada would require it.

It is all well and good to say that we have a form of import regulation. It is true, we do. As well, we must have some protection for the primary producer. We should have legislation in place that can be triggered if a situation such as that which took place in 1976 should occur or appear that it is going to occur.

As hon. members know, the primary producers of beef in Canada, from the cow-calf operator right through to the finished cattle operator, have in the past three or four years come through one of the most disastrous slumps in the history of the beef industry. Much of the reasoning and the effects of that has been outlined by the hon. member for Medicine Hat.

In the industry they have what are known as cyclical hills and valleys, due in part to the producer's reliance, and I think rightly so, on the supply and demand position. That position can be greatly influenced, as it was in 1976, by a large influx

of offshore or imported beef and veal into an already volatile domestic beef situation.

To the hon. member referred to the Senate bill. It was my pleasure today to talk with the secretary-manager of the Canadian Cattlemen's Association. While he agrees in principle and in general with Senate Bill S-13, there are two aspects of that bill which give the Canadian Cattlemen's Association a very distinct feeling of uneasiness. One aspect is the bill's reference to live cattle. The other is the reference to the triggering mechanism in that bill which gives the cattle producers and their representatives a great deal of cause for concern. It is known as a trigger price or signal price which triggers the bringing into effect of the beef import law.

The cattlemen and their representatives feel that a trigger or signal price could be misconstrued by both the consumer and those in charge of it. It gives them great concern that the signal price could be set either too low or too high, and thereby give an improper effect to the legislation which the Senate has proposed. I hope that will be thoroughly discussed. I understand that representatives of the Canadian Cattlemen's Association will appear before the Senate committee on the fourteenth, if my memory serves me correctly. Both of those points will certainly be discussed at that time.

● (1730)

The importance of live cattle has been dealt with by the hon. member for Medicine Hat and really needs no further comment, except that I believe we have to take into account the fact that the cattle industry supplies the domestic Canadian market and, more important, the North American market, which the producer looks upon as having even greater importance in the future planning of the beef cycle than just the domestic market because of the flow of live cattle north and south, mostly from the western provinces into the American system, and their return as finished cattle here to us in the east. That is an historical situation which has grown up over many years of good trade patterns between ourselves and our neighbours to the south, which could be disastrously affected if the live cattle question in that Senate bill is not considered carefully.

We saw what happened back in 1973 or 1974 when an embargo against the movement of live cattle was brought in—I believe justly—by the Canadian government, and we saw the reaction of the United States government, which I thought was somewhat unfair. That reaction included tariffs and the prohibition on the movement not only of beef cattle but also of pork, chickens, turkeys, and almost everything else. The United States reaction was very quick and almost disastrous for the Canadian beef and meat industry.

The reason mentioned by the hon. member for Medicine Hat for not including in his motion or in the Senate bill—and I do not believe it would be included in mine—the live cattle trade, is of vital importance to the Canadian consumer and to the Canadian producer. My concern is that while the instrument in place at the present time—and I will talk about it in just a moment—gives protection to the producer and consumer in the short term, I believe it must be backed up with legislation which will produce the same type of production over the long run of the beef cycle.

Just what is in place now? The government took steps to establish reasonable quotas on the importation of fresh chilled and frozen beef and veal. Beef import quotas were applied in late 1976 and were in effect through 1977 and 1978. They are in effect in the current year. Quotas are administered under the existing Export and Import Permits Act. Furthermore, as announced in March of last year by the Minister of Industry, Trade and Commerce (Mr. Horner) and the Minister of Agriculture (Mr. Whelan), the government has an ongoing policy of import controls on beef and veal which will be in effect for a three-year period, at the end of which it will be evaluated, and alternative measures will be taken if necessary. In this regard I agree with the hon. member for Medicine Hat. I would like to see that over a ten-year period because the beef industry works on a ten-year cycle. This would afford the protection which is required and allow for the basic input which I do not think a three-year period does.

The current policy arose out of producer concerns in recent years, very justifiable ones, about the possible effects of beef imports at a time when low prices were causing serious difficulties in the industry. What that points out to me is that it was a reaction and not an action. I believe that now is the time to take a very conscious and clear look at the situation of our primary producers of beef products and to take action so that we do not always have to be reacting to situations which arise. The legislation put forward by the hon. member is that type of action in a time of comparative quiet, shall we say, when returns to the producer are at a level which balances with input costs. We have to remember—and not often enough is this put forward—that the primary producer of beef, or any agricultural product, is also one of the country's largest consumers. He consumes energy in large amounts. He consumes all the things the consumer in the city looks upon as being highly priced.

Many primary producers buy beef, pork, chickens or eggs from the same supermarkets from which city consumers buy. To say that they are not concerned about high prices is a complete fallacy. They are perhaps more concerned about high prices in supermarkets than consumers who receive weekly wages from Ford or any other industry in the country. Producers have to face high prices, just as inevitably as city consumers.

With respect to that I would like to point out to hon. members an article which recently appeared in, I believe, one of the Ottawa newspapers. This article brought to my attention the fact that we in Canada are not as badly off as some people would like us to believe when it comes to buying beef, eggs, or poultry. The article is entitled "Eat Up, Ottawa! Our Food Prices Are Low". This was not a Canadian survey. It was not one which anyone could say the government had rigged so that it would come out the way the government wanted. This survey is taken every month by the agricultural attachés in U.S. embassies in 15 countries around the world. It is impor-

tant to know the results of this survey. I admit that we do pay a good deal for most of our manufactured goods, especially imports, but the U.S. government has produced statistics showing that Canada is a world leader in something other than shovelling snow.

The article to which I refer reads in part as follows:

When it comes to food, we're on top of the heap, despite domestic price hikes and the plummeting dollar's effect on the cost of fresh produce we import for six months of the year.

Figures released this week show that on Jan. 3, at the height of our import season, Ottawa stores charged 21 per cent less than their counterparts in Washington, D.C., for a shopping basket of 21 items.

That must say something about the producers in this country.

Agricultural attachés at U.S. embassies in 15 capital cities survey local grocery stores once a month to determine prices for such staples as meat, eggs, butter, milk, tomatoes, bread, rice and sugar.

The results of the January survey published in the U.S. Department of Agriculture bulletin, *Foreign Agriculture*, help put domestic price trends into perspective.

The bulletin also compares the number of hours an average industrial employee must work to earn enough money to buy a given amount of food, based on mid-1978 figures.

The February issue shows that although Canada had one of the highest increases in its consumer food price index in the 12 months ending in November, 1978, our January prices were 21 per cent below U.S. levels and substantially below Japanese and German figures.

The article cites the example of sirloin and refers to a kilogram of sirloin steak. If my mathematics have not gone completely out the window, a kilogram is 2.204 pounds. I will never get used to that. The article goes on:

Sirloin steak was selling for $5.62 (U.S.) per kilogram in Ottawa, $6.37 in Washington, $9.74 in London, $14 in Bonn and an unbelievable $41.20 in Tokyo.

● (1740)

The difference between Canadian and U.S. wage levels was almost enough to wipe out the advantages of our lower prices, but not quite. A U.S. citizen—I am speaking of the 21 items used in the survey—would have to work 8 hours 31 minutes to pay for the same shopping basket that a Canadian can afford by working 8 hours and 28 minutes. So the difference is 3 minutes on a full shopping basket.

What is of vital importance to the consumer—I hear people talking about the industry of the Japanese and the Germans and about everyone there being so much better off than we are—is that in Ottawa, for instance, a Canadian would work an hour and 2 minutes for those sirloin steaks, and in Tokyo a Japanese would work 8 hours and 11 minutes to pay for that one kilogram of sirloin steak. The question is the same right across those lists. With regard to boneless roast chuck, in Ottawa a Canadian would work 37 minutes for a kilogram of that meat, in the United States they would work about 35 minutes, and in Tokyo they would work 4 hours and 14 minutes for it. What this points out is that despite the gloom and doom of some people in Canada when it comes to the food price index, the fact is that the Canadian primary producers are providing this country with the finest food at the cheapest prices anywhere in the world.

What this motion is all about is providing the primary producer with an assurance that some of the valleys and pitfalls will be taken out of the cyclical endeavour and provide him with the knowledge that over a ten year period, or over the life of his input into the industry, there will be something on which he can count, should the need arise, to protect him from unfair competition—and I think in 1976 it certainly was unfair—from offshore beef imports.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, first of all I want to compliment the hon. member for Medicine Hat (Mr. Hargrave) as one of the few members of the House who has real expertise—I say that with sincerity—and working knowledge in his area of interest in the House, that is, in the beef industry. When he speaks I pay a great deal of attention to what he says. He speaks from his heart, with a great deal of experience and knowledge in the area.

I want to say at the outset also that I support the general direction of his motion, but I have one difference with him which is a philosophical difference because I do not think what he is proposing will be adequate to solve many of the problems of the beef industry today. What I want to argue for is a national beef marketing board, something that is supported by a large number of people across the country. As the hon. member for Medicine Hat has already said on many occasions, I know also that there is a large number of people across the country who do not want a national beef marketing board. So this is a philosophical difference between the two of us.

Before I go into that subject, however, I want to underline a point made by the hon. member for Bruce-Grey (Mr. Douglas), and that is that in general in this country we as Canadians are not paying an excessively large part of our disposable income for food. We pay about 15 per cent or 16 per cent for food. The Americans pay roughly the same amount of their disposable income for food, the Europeans pay close to 30 per cent, the Japanese more than that, and the people in India pay around 60 per cent. When we talk about food prices, we must put things into perspective. What we must watch now are companies, retailers and the like, taking excessive advantage of the consumer with excessive mark-ups. That is what we must watch in terms of food pricing.

Let me get back to this motion. As I said, I do not think it is quite adequate or that it goes quite far enough, because I believe we need a national beef marketing agency for two groups of people in our country, for the producer, in terms of making sure he has a stable price for his commodity, and for the consumer to ensure a stable price in the retail market for the commodity which the consumer is purchasing.

Let me offer one or two arguments in favour of what I am proposing. All we have to do is to take a look at the price increases in food across the board in this country. We find that price increases in products in which we have national marketing boards—we now have three and will soon have four in operation, the egg marketing board, industrial milk, and turkeys—have been lower than in products which do not have national marketing agencies to manage supplies and tailor supply to demand. One of the problems we have in beef is that

we do not have such an agency, and because of that there are tremendous fluctuations in the price of beef which hurt both the farmer and the consumer.

I could go over some of the history of beef prices, which has already been done in the House. Beef prices started to drop below the floor level, so far as the producer was concerned, in 1974. They became worse in 1975, and even worse yet in 1976. They stayed at that level in 1977, and it was not until April, 1978, that the price of beef for the farmer started to go up. What happened was that when the farmer was selling his cattle and getting less than the cost of production, he started to sell the herds. This is a normal reaction. We all agree that that is what happened. When a farmer or a rancher does that, he cannot replenish his herd quickly, as the hon. member for Medicine Hat said. This takes a long time. A cow has a calf once a year, not like chickens which reproduce rapidly. When the hon. member for Elgin (Mr. Wise) goes to the supermarket to buy a chicken, he buys one that is only about 60 days old. You cannot do that with beef. You cannot turn the tap on and off at will or at whim.

The result was that when we had an oversupply, the price was low and people started to sell off their herds. Now we have an undersupply. One reason for the oversupply was that back in 1973 the Italians and the Irish—the Italians because of some problems they had with their economy because of the high price of oil and because of OPEC, and the Irish because they had cattle which they wanted to sell—persuaded the European Economic Market to import fewer cattle from abroad. They persuaded EEC to curtail imports, and those imports were primarily from Australia. As a result, the Australians had to get rid of their beef somewhere, so they sent it in abundance to Canada, and that helped to distort the Canadian market and hurt Canadian producers. It created many of the problems we have today with beef in our country.

How do we solve those problems? I think only a partial answer is found in what the hon. member for Medicine Hat has said in the House today. As I said, I have a philosophical difference with him. I do not think one can deal with the problem of EEC unless there is a national marketing board, because unless you have a national supply-management board or orderly marketing, GATT agreements tailor your supply or production. You are not allowed to do that, and you need some form of orderly marketing, such as we have in turkeys, eggs, industrial milk or broilers. In order to have that type of planning, we need a national marketing agency of one sort or another. I do not think the type of import laws the hon. member suggests are adequate. They are better than nothing and obviously a step in the right direction, but that is one reason why we should go further to create a national marketing agency.

Another reason is, as I said before, that it gives the producer a more stable price for his commodity, such as producers get for eggs, poultry and milk. It means also that when the consumer has the product in the supermarket, he is paying a more stable price, the mountains and valleys are taken out of the pricing mechanism and what you have is a planned economy, which is good for all.

Another reason why I am suggesting a national beef marketing agency is that we are not self-sufficient in beef and we will not be until we have a government policy which provides a guaranteed income for the producers. It should allow them to produce more of our own goods and commodities.

• (1750)

I have before me a group of statistics which I think the House will find interesting, and hopefully very shocking. They reveal a lot about Canadians which should be of concern to the House. The statistics come from the Senate. They were provided as background material for the consideration of Bill S-13, the Senate bill to control the importation of beef into Canada. These statistics are slightly different from the ones referred to by the hon. member for Medicine Hat, but some of the points are similar. The statistics refer to the net domestic production on a per capita basis in Canada. In other words, they refer to the net production of beef in the country. Also the statistics refer to the actual consumption of beef.

When one looks at these statistics, one will find that we are becoming less and less self-sufficient in the production of beef, according to the Senate. For example, from 1967 to 1974 the average net domestic production of beef in the country on a per capita basis was 85.9 pounds, and our consumption during that same time was 94 pounds per capita. It means that approximately 91 per cent of the beef consumed was produced in the country. We were 91 per cent self-sufficient. If one looks at the figures over the next few years, one will find the self-sufficiency starts to go down. The Senate had not completed the estimate or the accumulation of statistics for 1978, but it was indicated that we would be producing approximately 86.6 pounds of beef per capita and consuming approximately 101 pounds of beef per capita. That would make us 84 per cent self-sufficient. In 1979 the estimate is that consumers would consume approximately 93 pounds of beef per capita and that approximately 76.3 pounds of that would be Canadian beef. That means in 1979 we will be only 82 per cent self-sufficient. These are background statistics which were provided by the Senate researchers. They accompanied Bill S-13, which was introduced by Senator Sparrow a short time ago in the other place.

I have put those statistics on the record to show that we are becoming less and less self-sufficient in beef production. There is no excuse for that at all. We have the capacity to be an exporter of beef. We have a lot of land. We have a very small population. Farmers are in need of better incomes. We are in need of more jobs in the country. There is an unemployment problem. If more people were farming and producing cattle, there would be more people involved in packing, slaughtering, and the transportation of cattle. A better situation would be created all around. Of course there are the other economic factors of self-sufficiency as well, such as a better impact on the balance of payments, more economic activity and the like.

That is another reason why I feel there should be a national beef marketing plan for the orderly marketing of beef.

I should like to leave a few minutes for other hon. members to participate, so I will make my remaining points quickly. The heifer and cow herd in the country is being diminished. That is really a sad situation. We will have more problems in the future, and it is another reason why we require orderly marketing and more planning when it comes to the beef industry. The farmer is receiving less and less of the food dollar. A few years ago he received 60 per cent of the food dollar. Today he receives only 37 per cent of the food dollar. Anything we can do to help the farmer is indeed a move in the right direction.

My main point is that I think we require a national beef marketing agency for orderly marketing in beef, such as exists in the production of eggs, turkeys, and many other products at the provincial level. A similar agency should be introduced at the national level for beef. It would solve many of the problems of the producers and consumers. Also it would help Canada become ultimately self-sufficient in the production of beef. That would help every Canadian and the entire Canadian economy.

Mr. John Wise (Elgin): Mr. Speaker, I appreciate the courtesy of the hon. member for Yorkton-Melville (Mr. Nystrom) in providing me with approximately five minutes to participate in the debate. I am sure a good number of other hon. members would have utilized their entire 25 or 30 minutes.

However, I should like to begin my comments by indicating that I welcome the opportunity of making a few brief comments in support of this notice of motion. I do so because I have a great deal of respect and admiration for the hon. member for Medicine Hat (Mr. Hargrave). In addition to this respect and admiration, I believe firmly the enactment of the Canadian beef import law proposed in this motion certainly is essential and paramount. I participate in this debate to renew my commitment and support, because the intent of this motion represents not only the views and the position of the hon. member for Medicine Hat, but moreover it represents the official position of my party. In fact it has been the official position of my party since September, 1976.

The beef industry is a Canadian industry and it is a large one. In 1973 it became a billion dollar industry. Because of the increased value of slaughter cattle and calves, this year the figure is expected to exceed the $2 billion mark. It should be noted and stressed that this doubling in sales values does not reflect the same pattern in relation to increased profits. Rather, it reflects the impact which inflation and rising costs have had on the beef industry. It reflects the disinterest and the failure of the government to provide the necessary leadership. It reflects the failure of the government to manage the Canadian economy with any degree of competence or success. It reflects the need for appropriate long-term goals, objectives, and programs which will interpret accurately the market signs. Also it reflects the need to provide equity and stability to Canadian beef producers.

A beef import law, accompanied by a deferred annual income annuity plan and some common sense provisions in the area of capital gains, which has been spoken about often by the hon. member for Norfolk-Haldimand (Mr. Knowles), would provide much needed stability to the Canadian beef industry. It would ensure the preservation of family farm management and ownership. It would greatly reduce and hopefully eliminate the government's sporadic intervention into the market place. Also it would leave the government free to perform only those necessary and proper functions of inspection, grading and dealing with animal health. Financial support would be limited to emergency and disaster situations.

In the remaining minute, let me conclude by saying that the beef industry, like food prices, has been studied to death. This measure was recommended and justified by Canadian beef producers two years ago. As I have indicated, it has been the position of my party for over two years. I commend the hon. member for Medicine Hat for his interest and efforts respecting this motion. I challenge government members to utilize this opportunity to pass at least one major piece of legislation before they strike out. I say to the beef producers of the country, if the government chooses to procrastinate throughout the remaining weeks or days of its mandate, we in this party will enact this legislation shortly aftr the next election.

Mr. Deputy Speaker: Is the House ready for the question? The hon. member for Battleford-Kindersley (Mr. McIsaac).

Mr. Cliff McIsaac (Battleford-Kindersley): Mr. Speaker, I rise to respond very briefly to the challenge of the hon. member for Elgin (Mr. Wise). I think beef producers will have a message for him, but we will wait to hear it.

• (1800)

I have no difficulty at all agreeing with the principle put forward this afternoon by the hon. member for Medicine Hat. At the same time, I believe we would be deceiving ourselves if we though the passage of such a resolution would provide the panacea for which many beef producers are looking. Last fall, President Carter showed the great weakness of that measure by usurping it. But by the same token I thought he proved the need for it because the increase of one more pound—

Mr. Deputy Speaker: I am sorry to interrupt the hon. member but the hour appointed for the consideration of private members' business has expired.

It being six o'clock I do now leave the chair until eight o'clock this evening.

At 6.02 p.m. the House took recess.

• (2000)

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

NATIONAL HOUSING ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Ouellet that Bill C-29, to amend the National Housing Act and the Central Mortgage and Housing Corporation Act and to make other related amendments, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Ian Watson (Laprairie): Mr. Speaker, at five o'clock I was pointing out to the House the calamitous effect which the Conservative party's negative attitude toward the role of the government in housing could produce if it becomes government policy, as it did for a number of years during a Conservative government in Ontario. In Ottawa houses cost up to $10,000 more, and in Toronto up to $20,000 more, simply because the government of Ontario took a hands-off policy with regard to land assembly and land banking. I was in the process, at five o'clock, of explaining that even the federal government, because of what I consider was an over-sensitivity to provincial responsibilities in municipal affairs and an under-sensitivity to the national consequences of failing to use the many instruments available to control land speculation in the Ottawa area, has in effect fueled inflation in land costs and thus in housing costs.

The National Capital Commission's and the Public Works Department's land holdings in the Ottawa area, government hiring policy, and government rental policy or the absence of an aggressive pushing of land assembly programs in the province of Ontario, are all policies or a combination thereof which unquestionably could have substantially reduced housing prices in the Ottawa area. These higher than necessary housing prices, added fuel to public service wage demands, and the federal government's acquiescence to these demands unquestionably contributed much to the inflationary wage spiral that has affected the ability of Canadians to compete on world markets.

● (2010)

We have often heard that housing prices are largely the result of the some 100 approvals that are necessary before a house is sold. I would ask hon. members to reflect on this. If land assembly takes place surely most, not all, but most approvals would be eliminated because there would be a much more precise planning process. Many planning steps which are now necessary to approval would be eliminated, or would not amount to the kind of brake on housing development that the critics allege.

In the Ottawa area the federal government tried to do something about land prices and at the same time create a model city that would be a Canadian crucible for better planned urban environments, where public transit and various urban features like totally planned energy conservation, recreation and green spaces, and all the factors that contribute to the quality of life, would be imaginatively co-ordinated to show what could be done when the public interest comes first. In spite of the federal government acquiring 5,000 acres through the NCC and the provincial government of Ontario another 4,000 acres, the Conservative government of the province of Ontario, assisted by the sniping of the hon. member for Grenville-Carleton (Mr. Baker), and more recently some sniping by the hon. member for Ottawa-Carleton (Mrs. Pigott), sabotaged the model city.

The developers who owned the undeveloped land immediately to the east of Ottawa where the Ontario government is approving housing for upward of 50,000 people, were considered more important than lower house costs and opportunities to show what could be done through planning imagination. Southwest city would have been a model for all Canadians. What a scandal, Mr. Speaker; what a tragedy that this opportunity was lost to all Canadians because the Conservative government of Ontario put the developers first and people second!

The worst mistake this government could make would be to follow the advice of the official opposition on housing policy, but unfortunately that seems to be what it has been doing recently. I refer specifically to this government's ill-advised and shortsighted termination of the Department of Urban Affairs. I will deal with that question later, Mr. Speaker.

I want to turn now to the suggestion made by the official opposition regarding mortgage interest deductibility. That proposition is as demagogic a suggestion as has been made in this House for a number of years. It is demagogic, because while it is patently unfair to everyone who rents rather than owns a house, and while it would cost the federal treasury up to $4 billion in decreased revenue—

Mr. Stevens: Prove that.

Mr. Watson: There are a lot of people who are better economists than the hon. member and myself, who have produced these figures.

Mr. Stevens: You cannot back them up.

Mr. Watson: I do not think the hon. member can, either. We are in about the same category as far as economics go—which does not say much for the hon. member for York-Simcoe (Mr. Stevens).

Mr. Stevens: Back up your statement.

Mr. Watson: The problem is that this particular proposition is very popular. I admit that politically it is very popular because it appeals to the selfishness in all of us.

The United States has had this measure in effect for 66 years. The group of members from both sides of the House who went down there to examine it, while they have taken public positions diametrically opposed to each other, heard one single story. I suspect they realized that the scheme does not make any sense, but it is popular. We all admit that.

An hon. Member: You had better.

Mr. Watson: If we are going to be responsible in government, surely we do not simply do what is popular.

[*Translation*]

As I said before, the proposal put forward by the Progressive Conservative party for allowing mortgage interest deductions would cost the treasury a considerable amount of money. If we are to pass such a measure, it seems to me certain social objectives should be tied in to such an initiative on our part. I can suggest, for instance, granting a tax credit to Canadians over 65 who live in their own homes. Obviously, it is better to encourage citizens of more than 65 years of age to live in their own homes than to build old folks' homes and send them to live there. That does not make any sense. It would be better, through some legislation or other, to encourage them to live in their own homes where they are happy; it would also be more advantageous for the state.

I am also convinced there are other deserving social goals that could be encouraged by the government instead of having the type of gifts promised by the official opposition. For instance, with respect to saving energy, all governments consider that objective valid these days, but unfortunately the steps taken in the last few years to encourage energy conservation are still inadequate. I have two or three suggestions to make, Mr. Speaker. By offering tax encouragements and using new systems of measurement in co-operation with the provincial authorities in the field of electricity, we could save considerable energy. I am thinking here of a meter system that would allow suppliers to set the price of the electricity used according to the various load periods.

Why are tax incentives not used to encourage the installation of these meters in private homes? I think they would cost $100 to $150. If the federal government and the provinces used their imagination and co-operated, they would encourage home owners to use electricity especially during off hours and thus save money. That would amount to tremendous savings. The money saved would easily be enough to pay for the construction of one or two major dams, one or two nuclear stations. If the government had some imagination, it would offer tax incentives in this area. I could say the same thing about the opposition which, instead of making rabble-rousing promises, to say the least, should propose things that make a bit of sense.

● (2020)

[*English*]

I have already mentioned that I am unhappy with one piece of advice which the government seems to have taken from the official opposition, and to me it is one of the more mindless recommendations that has ever been made by them. I am speaking of the termination of the Department of Urban Affairs. This is a genuine case—and I know this is an overworked saying—of throwing the baby out with the bath water. The government wanted to save some money, but it could have abolished many of the urban affairs programs which were costing money. I would have been unhappy had it done that, but not only did it do that, the ministry has been thrown out as well.

As far as I am concerned the Department of Urban Affairs has provided a number of important initiatives. I will mention them in a minute. But let me outline the number of international organizations that believe the area of urban affairs is important enough in which to be involved: the Council of Europe; the European Parliament; the World Bank; and the United Nations. Even the North Atlantic Treaty Organization, through the Atlantic council, has been involved with a number of urban affairs programs. And the federal Government of Canada is saying now that we should have nothing to do with urban affairs.

Mr. Stevens: What are you supporting them for?

Mr. Watson: That particular decision to terminate the Department of Urban Affairs did not come before parliament. Its termination has been done by order in council.

An hon. Member: By fiat.

Mr. Watson: I support the bill we are talking about tonight. This bill was introduced at the same time the announcement was made that urban affairs was terminated. That is why I am dealing with the question of urban affairs which I feel has the potential to influence, more than any other ministry, the kind of future Canadians will enjoy.

Mr. Stevens: Vote the ruffians out.

Mr. Watson: Let me give you some examples of what the Department of Urban Affairs has been able to do in many parts of Canada. It is responsible for the initiatives that have resulted, for example, in the port front renewal in Halifax; Montreal's harbour front renewal; Toronto's harbour front renewal; the bicycle path along the southshore in my own constituency which engenders a fair amount of interest. In Quebec City—

[*Translation*]

—the St. Louis Basin, the Guy Favreau complex was changed through the efforts of the Ministry of State for Urban Affairs. The plans would have resulted in the creation of a white elephant. Thanks to the influence of urban affairs, the Guy Favreau complex will now be a valid and acceptable project for Montrealers.

[*English*]

The Lachine Canal project is another project.

There are dozens of urban initiatives across Canada that have come about because the Department of Urban Affairs was there. Surely there should be a realization that there is a need for co-ordination between different government ministries and between different levels of government. This co-ordination should be directed toward assuring a better urban

future, a better quality of life where the federal government plays a role, no matter whether it is in owning land, owning buildings, building new buildings in our cities, or whether it owns railways or wants to change railway lines. We passed the Railway Relocation and Crossing Act a few years ago which allows us not only to redevelop railway shunting yards in the middle of cities, but it also allows us to redevelop rail lines into cities for purposes of rapid transit. These laws are in the books, and we are neutering them, temporarily, I hope.

In my opinion, all of these very positive elements which the Department of Urban Affairs offered to Canadians while it was in existence, and the even greater potential it offers to Canadians in the manner it offers co-ordination between ministries and between levels of government, are so important that we are making a very serious error in removing a tool from our work kit that can influence our urban and suburban lives for a generation or two to come.

There are a number of other things I would like to mention. These are a number of pullbacks which seem to be the result of suggestions made by the opposition.

[*Translation*]

What shocks me most is that since World War II we have had the means to do better, but fearing too often to hurt provincial sensitivities, we have not dared insist on proper planning. We have not used our powers as moneylenders through Central Mortgage and Housing Corporation, for instance. We could have used this to force the municipalities and provinces to adopt better planning methods. Any hon. member present could give examples. Representing a suburban riding, I can give many examples to show that the need to rectify years of inadequate planning has given rise to demands costing millions of dollars. Had we dared use the powers our financial position gave us, we could have had an influence. If I may give you some advice, Mr. Minister, please do not be afraid to exert this influence, to insist on proper planning. It will cost you less in the long term. In fact, this is the same recommendation I can make for Urban Affairs.

• (2030)

It will cost ten times and perhaps 50 times as much to abolish Urban Affairs as to maintain it and—have adequate planning and co-ordination among the various other departments and government levels. The past often provides no encouragement. This co-ordination will be made without any incentive and we need a department like urban affairs to provide this incentive.

We must not forget, Mr. Speaker, that 80 per cent of Canadians live in the urban centres of Canada and that 6 million Canadians live in suburbs built since the Second World War. As I have just said, the quality of life in downtown areas and the suburbs suffers from a lack of long-term planning and co-ordination among departments and this lack of long-term planning and co-ordination has caused mistakes and deficiencies in municipal services. And even worse, the enormous cost

of certain planning mistakes has a negative effect on the efficiency of the Canadian economy and the capacity of Canada to compete on world markets. I mentioned the example of the price of houses in Ottawa which could at least have been reduced from $5,000 to $10,000 a unit if sensible action had been taken several years ago. This mistake on the part of former governments and ourselves has had an effect on inflation in Canada because of its unfavourable effect on wage demands by public servants.

The influence of urban development on our national economy, national energy requirements and the quality of life in Canada means in my opinion that the federal government must play an active role and contribute to ensure that federal policies and agricultural operations are co-ordinated at the federal level and with the other government levels. Furthermore, in the context of long-term planning, this influence will ensure the effectiveness of financial data.

I am convinced of one thing, Mr. Speaker, and that is that the Canadian people will long regret the decision of this government to abolish urban affairs if we do not take the initiative right now and suggest to our colleagues that the Department of Public Works take on additional responsibilities and that it become the Department of Urban Affairs and Public Works. In my opinion, this would give this department the prestige, the capacity and the talent required to meet the needs of our suburbs and urban areas in Canada. Mr. Speaker, I hope that the government will consider this suggestion favourably.

I regret that I feel obliged to criticize so much the policies of the government, but when a government like ours, that is a liberal government with a small "l", accepts conservative recommendations with a small "c", I believe that we must reconsider our position.

[*English*]

I am disheartened by this acceptance of a recommendation from the official opposition. Urban Affairs was doing a great job for Canada. It has the potential of saving hundreds and hundreds of millions of dollars. This shortsighted step of terminating this ministry will end up costing us untold millions unless the government decides, upon reflection, to give the full power that Urban Affairs had to Public Works and allow that ministry the power to influence the co-ordination between levels of government and between ministries which is so necessary to help in improving the quality of life in the future.

Mr. Stevens: On a point of order, Mr. Speaker, the speech of the hon. member for Laprairie (Mr. Watson) has been intriguing. I wonder if he would accept one question with a view to clarifying something.

The Acting Speaker (Mr. Turner): Due to the fact the hon. member's time has expired, unanimous consent would be required in order for the hon. member to accept a question. Is there consent?

Some hon. Members: Agreed.

Mr. Stevens: I thank hon. members. My question is simply this. In view of his burning criticism of the government with respect to its actions touching on the urban affairs department, may we expect some overt sign of this opposition in the form of his voting against the government or even breaking with the government?

Mr. Watson: Seriously, Mr. Speaker, if there were a vote on the termination of Urban Affairs, I would not hesitate to vote against the government. I support this bill because there are a lot of good things in it. This bill has nothing to do with the termination of Urban Affairs which will, unfortunately, be terminated by an order in council without consultation with anyone.

Mr. Stevens: My further question is this. If we can arrange for a confidence vote on the question the hon. member is referring to, will he agree to vote against the government?

Mr. Watson: Mr. Speaker, I find that question amazing. My criticism of the government is that it has accepted the recommendation of this hon. member, the former mayor of Toronto and others on his side, who apparently have had it as a policy of the Conservative opposition for at least a year, if not more, to abolish Urban Affairs. My criticism is that we followed their advice.

• (2040)

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I am pleased to deal briefly with Bill C-29 which is before us. As I was listening to the previous speaker, I could not help thinking what nonsense we are subjected to in this House of Commons when he suggested that the minister should restore the Department of Urban Affairs to life.

I had thought that everybody knew that if the minister had eliminated his Department of Urban Affairs, it is because it was interfering too much with provincial issues. But that is the way Anglophones think. Another member of the House claimed that we should need this department to indicate to the municipalities how they should administer their own affairs. I am flabbergasted and I am afraid that with a parliament with such opinions, we are not about to understand one another.

Mr. Speaker, in all the projects the government has put forward over the years in the area of housing, we must admit it has not obtained the success it had hoped for. And after all the cutbacks that this government has been trying to make lately in all sectors, more specifically in the social affairs sector, now on the fever of an election the government in a supreme effort tries to make Canadians believe that it has finally found the answer. This bill is a lot a fuss for nothing. Indeed, what does the government risk with this bill? What does it risk through this proposal as a whole?

I read the first part of the bill. I was not here when the minister delivered the first part of his speech. But I put it aside at once because the minister was not dealing with the subject at all; obviously he was upset. He was upset by the vote that has been held and he lost his cool and used some pretty strong words. I shall not repeat them. Recently he wanted me to withdraw my words but I will not ask him to withdraw his. Next time, I suggest he behave in a more dignified manner even if he does not like the result of some votes. Indeed, I do not like to hear these kinds of remarks in the House.

But I found very interesting the second part of his speech with which I shall now deal. I was indeed saying: what is the government risking with this bill? It is risking backing mortgages and perhaps also having to pay out $5 or $10 a month for some tenants who will have trouble paying their rent with its proposal to grant 25 or 30 per cent to those who will spend more than 25 per cent of their income on rent. The real problem is that the federal government is operating in an area outside its jurisdiction, an area coming under provincial jurisdiction. I am still wondering why it is so stubborn as to remain in those areas when all the provinces are asking it to withdraw, to let them do as they wish and give them at the same time—

An hon. Member: To get out!

Mr. Gauthier (Roberval): Yes, it should get out and at the same time give back the taxation right it has taken. At the present time they have no choice but to provide the money because they have the power of taxation which they borrowed and have been keeping for 38 years. There is the difficulty. There is the problem.

I heard the hon. member say a while ago: Well, the federal government should re-establish they had the nerve to create a Department of Urban Affairs, imagine, when it is a well known fact that urban affairs come under provincial jurisdiction! Well, besides the fact that this is outside its jurisdiction, the government does not know anything about that because it is too far removed from it. It does not, like the provinces, live close to the authorities which are responsible for those municipalities.

The government is anxious to be forgiven for its illegal interference with provincial jurisdiction, and then it hands out goodies to prevent the taxpayers from shouting out their contempt. Why is this government refusing to transfer the powers of taxation to the provinces so that they may administer their affairs within their own area of jurisdiction? You have never seen a province interfering with federal affairs. You have never seen that. They respect federal jurisdiction but why do we not do the same at the federal level? Why not uphold the Constitution and the meagre rights the provinces were given? For the past 10 years, there has been a steady and increasing encroachment upon provincial jurisdiction. No wonder war has broken out between the federal government and the provinces. That is no wonder. Every Canadian knows that urban affairs, housing, house rehabilitation, like commu-

nity services, are constitutionally matters of provincial jurisdiction.

After snatching direct taxation rights from the provinces in a hypocritical and fraudulent way, this government is taking the initiative because it has the money; it collects, it has every spending power, to ask the provinces to share equally. Those were the taxation rights of the provinces, but they are told: Participate. We are going to use your money to pay for that but put up half in any case. That is all very nice. But it holds on to their means of collecting the necessary taxes. Mr. Speaker, that is the problem and the major cause of all those family quarrels. Add to that the way of redistributing the revenues of direct taxation, either through the Central Mortgage and Housing Corporation, project managers and all those who are appointed by the government to carry out projects—I was just talking to the minister this afternoon about that. I told him there were pretty bad things. I know the minister cannot control everything going on in those projects, rehabilitation projects, Central Mortgage and Housing Corporation projects and others where you have to qualify and where qualifying means being a Liberal. Well, Mr. Speaker, that I will not forgive. I am not accusing the minister here because I know he is not aware of that but things are going on that are unforgivable.

I have seen projects granted to people who had no use for them at all and I have seen other people who would have needed them but failed to qualify because they were probably Conservatives or Social Crediters. I call things as I see them. That must be brought in the open. I am here to say what is going wrong—that also helps the minister, I am sure he is going to keep his eyes open. I told him: "When you select a man like that, I understand that he is on your side, but select three of them and form a committee to prevent discrimination like that". I think that this would immediately clear up the situation and provide everyone with a bit of justice.

In his remarks the minister told us that the current housing programs undertaken in co-operation with the provinces are supplying 19,000 housing units a year, which, again according to the minister, is not sufficient and I agree on that. I also agree on the non-profit housing program. The government expects to build 30,000 units, and the minister adds that the program will be the responsibility of the federal government, the provinces, the municipalities and private or public organizations which may be involved in housing. First, I wonder if the government did meet with the provinces, if it did meet with those who are concerned, with those who are really responsible, if it had discussions with them, because once again as ever it seems to have followed the usual rule, that is to set up the whole program and later submit it to the provinces and say: "Take it or don't take it. If you don't take it, you won't have it; if you do take it, you must follow our rules and do what we tell you to do."

[Mr. Gauthier (Roberval).]

• (2050)

Mr. Speaker, they will have to mend their ways if they are to face the electorate in our provinces, and especially in the province of Quebec, because I can tell them people know what the Liberals are all about. They will get a surprise, not us. The government forgets they use three tax collectors for federal taxes, for provincial taxes and for municipal taxes. This makes for three tax collectors preying on the same taxpayer. The same taxpayer that will be taxed three times is the worker. Always the worker.

Programs are put forward, Quebec and other provinces put them forward in their jurisdictions, but in the final analysis, the worker pays—one, two, three, go! Three taxes for one area or one project. We may not be fully aware of this, but the taxpayer knows. He sees that. I would even say that all those parallel bureaucracies, we will have to get rid of. Each level will have to remain in its own area. The federal government in its area, provinces in their areas, and then only can harmony set in.

The bottom line truth is that the government recognizes it has no more money. The Central Mortgage and Housing Corporation has no more money either. So the government calls upon voluntary organizations, the private sector to hide its failure in housing. The minister suggests that low income people, single mothers, senior citizens will benefit from the program. Admittedly those groups will be able to find easy housing for some time just until the bureaucrats, the "taxers", decide otherwise. We know what goes on in low rental housing.

Senior citizens, as the minister suggested, will get 25 or 30 per cent to help pay their rents where they exceed 25 per cent of their monthly incomes. That is all right, Mr. Speaker, 25 per cent of monthly income, that looks like a nice grant. But what does that mean in actual figures? This is what I am interested in. What does that get us to? Let us take the case of two senior citizens, both getting the old age pension. A couple getting $600 per month in pensions and paying $200 in rent. If they pay a $200 rent on $600 per month, this means they will get nothing. No grant. He might as well not expect it, he will never get it! If his rent is $225 per month, he will get the enormous amount of $6.50 a month, as a tax credit to help him survive. That is the mouse brought forth by the elephant scheme of the minister. What about heating? The rent is taken in consideration. We talk about subsidizing the rent, but what about heating and the other maintenance costs? The new housing units accepted by the Central Mortgage and Housing Corporation all have electrical heating systems. I know people who had to pay over $800 for heating, last year, in houses accepted by the Central Mortgage and Housing Corporation, which were not properly insulated. The contractor probably had some friends working for the Central Mortgage and Housing Corporation. That happened before. But, there again, the tenant has to pay for all this. When you feel a draught while sitting by a window, you know there was no insulation.

And this was accepted by Central Mortgage and Housing Corporation which, like others lenders still charges 10 per cent, 10½ per cent, 11 per cent, 11½ per cent interest. What about tenants' taxes, Mr. Speaker? I think that the best tax credit should be used to reimburse the municipal taxes paid by tenants in order to avoid double taxation.

If the government reimbursed municipal taxes to tenants, and if we consider the situation of the single family dwelling owner, it is even worse, Mr. Speaker. For years now, we have been urging this government to allow the small home owners to deduct their school and municipal taxes from their income tax and to grant a tax credit to welfare recipients because some home owners are on welfare. Someone earlier was blaming the Progressive Conservative party for asking for a reduction of municipal taxes, but we have been blamed for that for the last 17 years. Yes, 17 years! I really wonder why the home owner is denied a tax credit for municipal and school taxes, for the interest paid on his mortgage interest when it is granted to multiple unit dwelling owners.

Let us suppose that I decide to built a 40-unit apartment building, I shall be allowed to deduct from my income tax the interest on my loan plus school and municipal taxes. But this tax relief is denied to the family head who builds a house, the rationale being that he builds for himself. But he does not, he builds for his wife and his children. If he were alone, he would not need a house, he could board somewhere. I think that someone should be entitled to deduct municipal and school taxes as do those who build apartment buildings, it should be him. I fail to understand the logic of this government when it says: "You must not go over that level for fear of becoming too strong and a threat to us. Such reasoning has to be prompted by a desire to squash the low income people. But it does not do them any harm to put up the financing for they are the ones who supply the campaign funds. I call this discrimination. Those who do not pay any income tax are to get a tax credit? Those on welfare already get an allowance for their rent. They should build themselves small inexpensive houses and use this allowance to make their payments. But for God's sake, let us give them a tax credit, and also to the tenants. By the way, the tenants get one from the school board now. This should be in the form of a tax credit which could be surrendered to the municipality since the municipality obviously needs adequate revenue.

In behaving the way it does, Mr. Speaker, the government acts as if it is only interested in making money, in having the poor help increase its own wealth and make the poor even poorer.

● (2100)

The minister says that the National Housing Act is amended to increase the construction of public housing by non-profit organizations. Once again, his objective is praiseworthy, I agree, I support his proposal, but how can that objective be reached? By paying once again for four houses to acquire one. If we apply to financial institutions, if we use means made available through the government, even the Central Mortgage and Housing Corporation, which is a government organization, will make you pay the price of four houses to get one. The minister would have a fine opportunity to follow the example of the people. Since non-profit corporations are involved, all voluntary workers who will be unpaid, that is the group that will build low-rental accommodations, could take advantage of interest-free funds. No, they will have to apply to the Bank of Canada exactly as if they were needy countries. There are also needy families and areas. We need not go to other countries to see people in need, Mr. Speaker, there are lots of them in Canada. I think that if the Bank of Canada can help others, it can also help the people of this country.

I will not insist on that lest someone starts talking about the floating dollar. Fortunately the Minister of Finance (Mr. Chrétien) is not here with his floating dollar or rather his sinking dollar. We cannot bring the dollar back to the surface without upsetting the large financial institutions. The minister also extends the invitation to private investors but when I hear that I wonder whether the government is still willing to keep its word. Again, I blame the minister, but I should not blame him. I should blame the developers because I have evidence about people who took a risk in the private industry, who built 40 units because they had been promised benefits of $80 to $85 per unit and who received only $42 per unit once the work had been done.

So I suggest if we continue to invite private enterprise this way, private entrepreneurs will stay home. And I urge them to stay home as long as the government fails to keep its promise. It gave $89 to others and then only $42 to this one, why? Let us find out. But I talked to the minister about this and I hope he will be fair to him and give him the same amount he gave others, since he made the same effort; he even made more because he was forced to build in winter, which cost him around 10 to 15 per cent more. And when he woke up the next morning with only $42 instead of $89 in rebate, I suggest, Mr. Speaker, this does not encourage future owners at all.

Mr. Speaker, the minister also said he will encourage co-operatives. I do not know what he did for co-operatives, but when he said that, I was reading a press report from today, March 5, and I quote:

Mr. Ouellet wants to kill Quebec's housing co-operatives.

Hon. André Ouellet (Minister of Public Works and Minister of State for Urban Affairs): That is not true.

Mr. Gauthier (Roberval): The minister says it is not true, but I am not the one who said so. Frankly I wonder what happened because here is what we can read in that article:

In an interview with the *Journal de Montréal,* Mr. Jean-Guy Lague, the spokesman for Quebec housing co-operatives, stated "that the CMHCs new

programs go directly against the basic principles of the present movement of housing co-operatives".

"If the minister had wanted to kill Quebec housing co-operatives, he could not have done any better," added Mr. Lague.

Mr. Watson: That is PQ propaganda.

Mr. Gauthier (Roberval): Mr. Lague is not a PQ partisan. The hon. member is wrong, because whenever anything happens they yell PQ. You have unemployment, they blame the PQ. People are getting sick, they blame the PQ. You have smallpox and they blame the PQ. That is a sickness now. If you need a psychiatrist, you will be sent to Dr. Laurin . . .

Mr. Ouellet: Does the hon. member know Mr. Lague?

Mr. Gauthier (Roberval): He is not a PQ member.

Mr. Ouellet: Does the hon. member know him?

An hon. Member: He must be a Social Credit supporter.

Mr. Gauthier (Roberval): I will not say anything because you will be influenced again. Nor I will say he is a Progressive Conservative because you will be influenced again. I continue the quotation:

The housing co-ops are not a new issue. Indeed for several months the Quebec housing co-ops representatives have been trying in vain to meet with Mr. Ouellet.

That is strange because we get to see him any time we want. Simply get him upset a little bit and there he is. I continue:

But the minister delays rendezvous for weeks and weeks. According to that spokesman, the autonomy of co-operatives is not respected when it comes to selecting members and criteria used to determine an equitable rent structure.

They also have rental problems, Mr. Speaker.

This new program gives a deadly blow to home rehabilitation by co-op members or working parties. The lower rehabilitation costs as a result of the work performed by co-op members do not reduce the rent but rather the CMHC subsidy.

I am getting close to the point, Mr. Speaker. It seems that when the co-op members volunteer to work on the project, the subsidy is reduced, as he explains, and I quote:

The lower rehabilitation costs as a result of the work performed by co-op members . . .

—voluntary work—

. . . do not reduce the rent but rather the CMHC subsidy. It is a program which favours new contruction, unsuitable for buyers of older homes in need of rehabilitation and more suitable to the needs of other provinces. Generally speaking, it is a discriminatory program towards Quebec. What Mr. Ouellet proposes to the Quebec co-operatives are actually "subsidies to the banks" . . .

In that respect, I fully agree with him because those who will benefit from that are precisely the banks, because they will make loans and will never lose a cent. It is the government which guarantees every cent of every mortgage dollar. Therefore, it is true that these are actually subsidies paid to banks. I go on with the quotation:

[Mr. Gauthier (Roberval).]

. . . it is to reinject co-operative housing into the main stream of the inflationary market, it is to base the development of co-operative housing on the incomes of certain groups of people. In view of the minister's contempt for their proposals, Quebec co-operatives are requesting another meeting with him to ascertain once and for all how these new federal programs will be implemented in regard to the specific features of Quebec housing co-operatives.

Another article refers to a major fight, and I will not have time to read it all because my time is almost expired, but I simply want to say to the minister that if there are falsehoods in the release, I hope he will schedule another meeting, because these people are complaining that they cannot meet with the minister.

Mr. Ouellet: I have met with them.

Mr. Gauthier (Roberval): In any event, I told them that if they cannot see him, they can come and see me, and that I know how to arrange a meeting.

Mr. Speaker, the minister asked me for suggestions this afternoon; the best thing I could suggest to him would be to reduce interest rates or, particularly for non-profit projects, to recover only administration costs. This we can do, if we only want to.

Should the government take these means to give satisfaction to senior citizens and low income earners once again, should elections be called, it would be presentable in the province. It must act fast however because the election is getting near and we would like it to be somewhat presentable. We are, for our part, doing our best always, and we will again do our best in the next election. Our organization is not such that we can make it known under all its aspects, but I hope they will act before the election is called.

● (2110)

[*English*]

Mr. Deputy Speaker: The hon. member for Saint-Hyacinthe (Mr. Ostiguy).

Mr. Friesen: On a point of order, Mr. Speaker, I cannot be here for the rest of the week and my name is on the list. I apologize to the hon. member for Saint-Hyacinthe (Mr. Ostiguy)—

Mr. Deputy Speaker: Order, please. As far as the Chair is concerned there is, in principle, no list; every member has to rise to seek the floor and the Chair has already recognized the hon. member for Saint-Hyacinthe. I understand the hon. member's preoccupation. This debate may continue for some while—I do not know what may happen in the House. The hon. member for Saint-Hyacinthe may not be long, and there is a possibility that the hon. member will get an opportunity to speak afterwards.

[*Translation*]

Mr. Marcel Ostiguy (Saint-Hyacinthe): Mr. Speaker, I should like to remind my colleague opposite that I will only

speak fifteen or twenty minutes. I think that he will have enough time to speak following my comments on the bill.

For several reasons, Mr. Speaker, I would like to support the amendments to the National Housing Act proposed in that bill. I heard my colleague opposite, the previous speaker, say that the bill would have bad implications and that it would be misunderstood by the people. This has surely been already pointed out, but I would like to remind him of some statistics recently provided during a Gallup poll which indicated that in 1963, 76 per cent of the people were satisfied and that today 86 per cent of the people are satisfied with the policies of the Central Housing and Mortgage Corporation. In the province of Quebec, 95 per cent of the people are satisfied while 5 per cent are not.

I believe that these recently published figures show that Central Mortgage and Housing Corporation has done a lot for the building industry and the development of Canada. Indeed, I believe that it represents a logical way to deal with the whole area of housing problems. I am especially pleased to see that this bill has retained one of the most important measures ever implemented in Canada in this area, the Residential Rehabilitation Assistance Program better known as the RRAP.

I am also happy, Mr. Speaker, to see that the restrictions imposed upon this program have been abolished and that it will no longer be limited to certain designated areas. If this bill is passed, as I am sure that it will, Mr. Speaker, all Canadians will be able to benefit from the assistance granted under the RRAP. Under the terms of this program, the available funds will no doubt help to meet the most urgent needs of Canadians throughout the country. I am not surprised that the RRAP has been received so enthusiastically and spontaneously by Canadian as a whole.

I was told that since this program was established in 1973, Central Mortgage and Housing Corporation has helped in the rehabilitation of approximately 20,000 dwellings a year in Canada. I hope that this figure will increase as the program is expanded and municipal authorities become more familiar with it. Since my election on October 16, just four months ago, my constituency office in St. Hyacinthe has been visited by a great many people asking information about these programs. I could also tell the minister and the Central Mortgage and Housing Corporation authorities that there is perhaps a lack of information in rural municipalities, who are informed either through the county boards or by material and letters sent to the mayors or the secretaries of these municipalities. I believe that it would be a good thing to familiarize people with Bill C-29 now under consideration.

We must not forget however that housing rehabilitation is a long-term project. About 2 million Canadian dwellings were built before the end of the Second World War. Some of these dwellings are still solid enough while others are not worth being repaired. A basic renovation would do for many of them, perhaps half of them, and would extend their life for many years. What I mean, Mr. Speaker, is that a task of such a scope cannot be realized overnight, nor even within a year. The number of houses which can be renovated each year depends not only on the funds that the federal government will be able to allocate to these programs but on the attitude of the municipal organizations which will administer them and of course of the qualified and unionized labour which will be available and capable of making the necessary repairs and restoration works. Undoubtedly the number of renovated houses in Canada is rising each year. I am certain that the government of Canada will go on playing a leading role in this growing industry which is so important for our country. One recognizes more and more in Canada and everywhere in the world that the rehabilitation of dwellings is of capital import. If we think of the energy crisis, of oil and gas restrictions, we see that we must take all possible steps to look after those old houses which, when they were built, did not have any of the insulation which is available to us in the 1980s.

In fact, Mr. Speaker, people in increasing numbers consider that it is better to try and maintain their house and prolong its life expectancy than to take it apart and start from scratch. Renovation and preservation are both important factors of the federal government's conservation policy which calls for the proper administration and recycling of our non-renewable resources. To make a house last longer instead of starting from square one will result in major savings in terms of energy, material and money. And that is more and more what people are seeking both in Canada and elsewhere. In other words, Mr. Speaker, people are more concerned with providing adequate lodging than reaching set goals for housing starts every year.

Mr. Speaker, ever since the end of World War II and up to these past few years, we were mostly concerned with the production and construction of new housing. The Central Mortgage and Housing Corporation was created in 1946 to help us catch up with the backlog accumulated during the depression and war years. But times change and so do the housing needs of Canadians. That factor, Mr. Speaker, associated with many others will mean that fewer new housing units will be needed each year. As we all know, we will probably need only about 20,000 housing starts a year around 1985, as compared with 30,000 today. The decrease in the population growth will also mean the population will be made up of a higher percentage of older persons.

At the same time, people are increasingly putting off getting married and having children, and children are leaving home at an earlier age. As a result of those trends, Mr. Speaker, families are growing smaller and couples without children are becoming more numerous. There will be a resulting exodus from the suburbs and big family houses to downtown areas where housing is older and in greater need of renovation. The increasing cost of gas and decreasing energy resources will in addition speed up this movement towards the city by pushing up the cost of daily commuting.

Mr. Speaker, all those demographic trends and economic projections, as well as changing social values, lead one to believe that rehabilitation will become increasingly important, at least until the end of the 20th century. I am very happy indeed that the government, by introducing these changes, recognizes the importance of renovation programs and the conservation of houses, and that it should have reaffirmed its intention of continuing to support those programs in concrete ways as it does through Bill C-29.

A few words now, Mr. Speaker, about non-profit corporations. I feel that through these assistance programs for co-operative housing projects and non-profit corporations, this bill underlines the needs of those for whom buying decent housing is a must. I am sure, Mr. Speaker, that once the bill is passed and implemented, those programs will do much in achieving our objective for people of limited means. I am particularly happy with those programs which merge private capital with federal subsidies, and so achieve an efficient association of the resources of both the private and the public sectors. At this juncture, those financial arrangements are particularly important as government expenditures must be severely restricted for all programs it is setting up.

About those non-profit organizations, Mr. Speaker, I must say that in a riding like Saint-Hyacinthe with some 37 municipalities, already several municipal councils, several non-profit corporations have been formed and have come to ask me for information about those projects scheduled for 1979, having heard that under the new Bill C-29 they could have the benefit of a 100 per cent loan guarantee for non-profit corporations and have to pay only 2 per cent interest whatever the current rate of interest at the time the contract is signed. I say to you, Mr. Speaker, that in a riding like Saint-Hyacinthe, at least five municipalities are already interested in that proposal, and I believe the publicity about this bill will have to be toned down for a while because we will surely not be able to have them all go ahead during 1979-80. I also say to the minister that projects will be welcome on the south shore of Montreal.

We also have in the town of Saint-Hyacinthe itself, Mr. Speaker, a 137-unit project under completion which should be opened in the month of March. The municipal authorities in Saint-Hyacinthe are asking us to apply for a new project because demand being so strong for retired people, this 137-unit project is already filled to capacity.

Mr. Speaker, I must say also that the housing policy set out in this bill is much wiser, fairer and much more efficient than certain irresponsible proposals put forward by members of the official opposition. I am thinking for example, Mr. Speaker, about the idea of making mortgage interest and municipal taxes deductible from taxable income. That proposal is in my opinion irresponsible because it is being introduced at a time when the government with the support and the approval of business is making big efforts to reduce spending and deficit. And members opposite chose precisely that time to put forward a measure that would cost hundreds of millions of dollars and would actually benefit only a very limited group of people who are far from being those most in need of help.

[Mr. Ostiguy.]

Out of the seven and a half million families in Canada, about three million rent either out of necessity or by choice. The tax deduction being proposed by certain members of the opposition will be of no use to that group in which you find most needy families. Approximately 2.5 million Canadians are home owners paying off mortgages. Among them are not only low income Canadians who were assisted in purchasing their homes but also the richest people in Canada.

Mr. Speaker, I think the bill before us provides assistance to all Canadians, because it gives them the opportunity to buy good homes at a price they can afford. Given the present economic situation in the country, this legislation is socially equitable and financially sound. In my opinion, Mr. Speaker, it is highly preferable to the inequitable, irresponsible, discredited yet revived proposal put forth by members of the opposition.

Mr. Speaker, there is a saying to the effect that activity in the building trade is a sign of prosperity, yet when we look at the latest figures for housing starts, we see that there were only 227,667 housing starts in 1978 as compared to 254,725 in 1977. The number of completed homes in 1978 came down to 246,653 units compared with 251,789 in 1977. So there has been a decrease in construction in 1978, and we must do everything possible, Mr. Speaker, to boost the construction industry in the province of Quebec as well as in the whole country.

● (2120)

[*English*]

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, I have enjoyed listening to this debate, particularly the remarks of the hon. member for Laprairie (Mr. Watson) who, in true Liberal fashion, came down four square solidly on all sides. On the one hand he is in against the bill, and on the other hand he is in favour of it. He did not like the fact that his leader, the Prime Minister (Mr. Trudeau), issued a fiat to the effect that this department will be abolished, but he is going to vote for the bill anyway. The hon. member for Roberval (Mr. Gauthier) was right when he said the government had no business in this business in the first place. Over the past ten or twelve years, experience has shown that it should never have gone into it. There are a lot of sorry home owners in Canada who have had the disagreeable experience of buying homes under some of the more unfortunate schemes this department put together.

The intent of Bill C-29 was well capsulized by the hon. member for Rosedale (Mr. Crombie) who has a talent for compressing a comprehensive subject into a very few sentences. On March 1, as reported at page 3742 of *Hansard*, he said:

Essentially, the bill does three things. First, it disentangles the mess which the government has created in housing at both provincial and municipal levels over the last seven years; second, it cuts out the government's financial commitment

to housing and urban affairs and, third, it winds down the Ministry of Urban Affairs after its death was announced in 1978. That is really what the bill does on behalf of the government. It disentangles, it cuts losses, and it winds down the ministry.

In a nutshell, that is what the bill is all about, but that really does not tell the history of some of the experiences people have had with this department.

I remember, when I came to this House almost five years ago, listening to the former minister of housing and urban affairs who is now the Minister of National Defence (Mr. Danson). Every year he would give statistics for the new housing starts—20,000, 30,000—they all looked good and it sounded as if the needs of the Canadian people were being met. It was evident that he was very statistics conscious, as I am sure the present minister is. It took two or three years for the reactions to those statistics on AHOP to come in. The big problem with AHOP is that it is not a "people" program. It was just another public relations gimmick, made to sound great, fun to end load the thing, to make sure that people could afford the downpayment. All the new housing starts to meet the needs of the people would make the government look good, and actually its purpose was to meet the public relations needs of the government. It took three or four years for us to find out what was going on. While this bill gets rid of the original department, it does not get rid of the problem, Mr. Speaker.

Some of my constituents who talked to me about the AHOP program showed me a brochure from CMHC which said that the government inspection would look after things. I notice that the bill does not change that. Clause 1(a) reads as follows:

(a) in accordance with this Act make approved loans on such security in favour of the lender as is provided for by this Act;

Mark those words, Mr. Speaker, "in favour of the lender." That is why I say it is not a people program.

An hon. Member: It is called free enterprise.

● (2130)

Mr. Friesen: The hon. member from Saskatchewan, who has never had a housing problem in his province because nobody ever moves there, wants to educate everybody else on what should be done about housing. I understand there is zero population growth in Saskatchewan. I would say that the lenders, the trust companies, mortgage companies and the banks, are big enough to look after themselves. Surely the Royal Bank, the Bank of Montreal or the Bank of Nova Scotia and all the trust companies have enough resources to supply their own inspectors.

The first-time home buyer who reads that brochure is starry eyed at the prospect of moving into a new home and thinks he is going to be protected. It is not the home buyer who is protected by that inspection, Mr. Speaker, it is the lender, and those lenders are big enough to look after themselves. The bill does nothing to correct that and I think the minister ought to change it so that it does. If inspections are necessary, and they are, why should they not be done on behalf of the buyer rather than on behalf of the money lender?

The second area in which this is not a "people" policy is that a ceiling is put on the price of the homes, especially in AHOP projects. At first blush that looks good. A buyer does not have to pay more than $47,000 for a home and that seems to be an advantage to the first-time home buyer. While it imposes a ceiling on the price of the home, however, it in no way imposes a ceiling on the cost to the contractor. It costs him just as much to buy the lumber, provide the services and pay the subtrades. The bill does not impose a ceiling on the cost of production, but only on the cost to the purchaser.

If the contractor is to meet that cost price squeeze he must look for ways of doing it, and it is likely that he will try to get money above the ceiling. Of course this is not legitimate.

On Saturday morning when I was in my riding I received a call from a constituent who claimed that he had not slept all night. The evening before he had signed an agreement to purchase an AHOP home. After he signed, the realtor slipped another piece of paper to him on which was written "lot differential fee". It turned out that in this project the original plans had not been good enough to suit the municipality and the developer was asked to upgrade them, which of course cost more. In an effort to recoup he put this piece of paper before the buyer and told him not to show it to his banker, otherwise he might not approve the mortgage.

I asked for a copy of the documents which I said I would take to the minister, as I did. To the credit of the former minister he said this was not right, and got in touch with his officials in Vancouver regarding the matter. Before the day was out, that project was frozen and about 35 home buyers had their money refunded.

When a ceiling is put on the price of the home, with no way of controlling the cost to the contractor, he is going to try to make it make it up in some other way. He can make it up by cutting corners. That is fine, as long as they are not cut so much as to produce a shoddy piece of merchandise.

The former minister was so interested in statistics that he put pressure on CMHC officials to get the contractors involved in this program. They were supposed to get out and build the homes. The result was that the good reputable contractors who had been in business for a long time and were concerned about their reputation and about ethics, stayed away from the program for the first two or three years. Meanwhile the quick operators moved in, put together a land assembly and, because there was no proper surveillance, they cut costs.

In a project in my constituency there were about 35 homes. I have shown the minister a video tape of some of the things that are wrong with it. He says it is too bad, that it should not be that way, and indicated that his officials in Vancouver say it is not right. It does not look as though the people concerned are going to get anything out of it, however. They have lost thousands of dollars in these homes but are not going to get anything from the government. I visited those people who bought some of those AHOP homes, Mr. Speaker.

● (2140)

In one case I know I hit my head on the dining room chandelier near the fridge. Would you believe that in a number of cases there was an electric splice box with bare wires? These were located behind medicine cabinets directly above the sinks. Just for kicks someone said, "I bet I can short that out." The man took a screwdriver to one of the boxes and blew out the fuse. This was a CMHC inspected home. Then there were water problems to contend with. These included seepage of water into the basement and water running into the basement instead of away from the house. The design did not call for closet doors, and there were none. Every closet door was a different size. Now it costs the home buyer twice as much, perhaps even three times as much to buy closet doors. In another home one had to open the oven door in order to get the cutlery drawer open. The list goes on and on.

The government inspectors were not doing their job. The former minister was so anxious to get statistics in order that he could have his 20,000, 25,000 and 30,000 new homes each year that he sacrificed the home buyer in the process. What we had was a series of companies throughout the country which were forming new companies to develop one project. They would then build all the homes and move out, taking the assets from the company and finally dissolving it, so that there was no way the homeowners could ever touch that company again. This happened because the minister was in a hurry. We have CMHC saying that they will secure the mortgage. But they made sure those homes were just good enough so they would last the life of the 25-year mortgage. Who knows what will happen after that?

Mrs. Pigott: Instant slums.

Mr. Friesen: Instant slums, right. Why were there not more inspectors? I understand from officials that they could not hire enough of them, first, because the growth factor was so large and, second, because the turnover rate in the inspection department was so great they could not train people fast enough to take care of the inspections. But, the minister got his statistics. Is it any wonder that as a result of AHOP now, after five years of production, out of 130,000 AHOP units built between 1973 and 1978 we have 53,000 units unsold? This amounts to roughly 35 per cent to 40 per cent unsold. Who knows how many of them are now vacant because of midnight movers? People said that the payments for the first five years were going to be subsidized, and in the next five years they would have to make that up. But in the next five years the house has already depreciated, so why pay higher payments for a depreciated house? And the midnight movers move in, and the 'for sale' signs go up.

In 1978, 10 per cent of the owners of AHOP homes defaulted on their payments. This compares with one half of 1 per cent of conventional mortgage home owners. That is the human problem. The minister can look at the statistics, and the House can study the statistics. That is one thing, but what about the pain and the anguish of those people who, for the first time, said, "I am going to have my own home."? They move into their dream home and those dreams are shattered within two years. For about three years there is one project on which I have worked with these people and with the minister and got zilch satisfaction out of it. The latest thing which the minister introduced is a kind of insurance program for new home buyers. That insurance program is about five years late. Incidentally, that insurance program is a confession of failures in other programs.

The other indefinable, intangible problem that this massive failure has created is the problem of reputation. What must it be like for someone who lives in an AHOP home in what has already been described as an AHOP district when he has to try to hide from other people that he lives in an AHOP project?

Reputable contractors have been coming on stream and they have been sharpening their pencils. They have said, "Look, if I do this and this, I think I can put out a new product within the price the ceiling establishes." So there are a lot of good AHOP projects around. The people who have bought in these projects are satisfied. They have a good reputation, except blurred across that good reputation are the other AHOP projects that people want nothing to do with. These include homes that were bought for $47,000 and are now worth perhaps $45,000, $44,000 or even $43,000. These homes were for first time home buyers. People not only had to come up with the down payment, which was hard to come by because obviously this program was designed for low income home owners, but frequently they had to borrow that down payment either from the bank, relatives or friends. Once they are in these homes they have to borrow more money for upgrading purposes so the houses will look the way they were supposed to look in the first place.

There is this mixed picture of good AHOP projects, mediocre AHOP projects, and poor AHOP projects. There is blurring in the public's mind. Where is the home buyer at in a situation like this? What do we do?

Now that the program seems to be working, as this government so often does, it has cancelled the program. That is it. It did this with the assisted rental program. Then it moves into another new area. The government's new alternative to AHOP is a graduated mortgage payment. It simply says that if one cannot afford a steep down payment, "We want to help you with that and temporarily ease the burden." In other words, in the first five years the burden will not seem quite so bad, but in the second five years it will get worse.

The government has ensured that inflationary pressures will continue. It is building on inflation on the one hand. In all the other programs it is saying, "We are trying to fight inflation, we are going to reduce inflation from 9 per cent to 7 per cent to 6.5 per cent." The Minister of Finance (Mr. Chrétien) is continually saying, "We are going to cut it down." But in a program like the graduated mortgage payment program it is saying, "Inflation is going to be here a long time. We are going to help you fight inflation by helping you with this graduated mortgage payment." By so-called levelling out these payments it is increasing the inflationary pressures for these people who are buying these homes.

I note with interest comments of an earlier speech in this debate where the speaker quoted one of the economists in this country. At page 3746 of *Hansard* for March 1, 1979, it reads:

> Administered by the CMHC, GMP's are designed to give a house buyer one of the major advantages already provided by AHOP during the first five years of a graduated payment mortgage, monthly payments are much lower than a conventional mortgage would allow. From then on, payments are stepped up gradually until after the tenth year, when they reach a plateau.

● (2150)

The economist was a good man with figures, and he whipped out his pocket calculator. He found out that this was not such a great deal for the home buyer. As he said, the unpleasant, less obvious fact is that over the life of the debt the graduated mortgage payment will cost the borrower $9,324 more than the standard mortgage would, $105,024 compared to $95,700. As the speaker said at that time, the man who buys this mortgage borrows $35,000 and he pays back $105,024. Who needs that kind of help? Not the first time home buyer.

The economist goes on to call this permadebt. He will never get out of debt. It used to be that a man's home was his castle. It is now the case that the government is going to make sure that a man's home is somebody else's castle. The home buyer will never look forward to the day when he can own his own home.

I do not know that we can afford in this country to encourage a policy of debtorship. I thought in this country we were proposing policies of ownership, not debtorship, but the government seems to insist on wanting to lay the burden on those who cannot afford it so that they will be perpetually in debt, never seeing daylight. It believes in debtorship, not ownership.

A number of government members have criticized the Conservative plan to introduce deductibility of mortgage payments and home owner taxes from income tax.

Mrs. Pigott: They just wish they had thought of it first.

Mr. Friesen: That's right, they wish they had. Now they are fighting a rear guard action and spending all their time trying to find fault with something they wanted to promote previously. That is not easy.

The latest gimmick is to say that members from both sides of the House visited Washington where everyone was against the program. I lived in the United States for about seven years and I remember the home owners talking about that. There was not one who was not claiming it on their income tax. They thought it was the greatest thing to happen since sliced bread. At least it led to home ownership.

Mr. Hare: And early.

Mr. Friesen: As the hon. member for St. Boniface (Mr. Hare) says, it leads to home ownership early. There were people in Washington who were against it, the same type of people as those in Ottawa who are against it, those in the department of HEW, the housing department. The bureaucrats think it is their God-given right to collect all the taxes in the country and to be the omniscient dispensers of tax money in programs which they design, programs which they believe are infallible. In Washington, as in Ottawa, they believe they know best how to spend the tax dollars.

Mrs. Pigott: They get advice from tax lawyers.

Mr. Friesen: That is right, those who specialize in that kind of mentality.

Mrs. Pigott: They make a lot of money.

Mr. Friesen: That's right.

Mr. Benjamin: How much help do you need?

Mr. Friesen: I will take all the help I can get from the hon. member for Ottawa-Carleton (Mrs. Pigott) because it is good. I don't mind. The Liberals are saying this does not work well. When something has worked for 30 or 40 years in the United States and they say it does not work, I wonder about their rationale. We are making a proposal to the people of Canada. So that those who need it most will benefit the most, all those up to a level of $50,000 will be able to deduct their mortgage interest rate from their income tax.

I just finished a survey in my constituency. One of the questions I asked was, are you in favour of being able to deduct housing interest payments and property taxes from your income tax? Surprise, surprise, 81 per cent of those who responded were in favour.

Mr. Johnston (Westmount): I love it.

Mr. Friesen: There is one of those rich Liberals who will make use of this. I do not think the minister of amateur sport should get involved in this. She has not yet solved the coastal transportation problems. Therefore, she should not get into the housing debate.

Mrs. Campagnolo: You had better stick to AHOP.

Mr. Friesen: I am sorry AHOP ever came into Surrey.

Mrs. Campagnolo: Ask your mayor.

Mr. Friesen: I have, and don't think we haven't been talking about it. As a matter of fact, the whole GVRD looked at the AHOP program and you know what they thought about it. This is the minister who said she was going to resign if in 90 days the transportation problems along the northern coast was not solved. She must have invented the metric calendar because that 90 days was up three years ago and she is still hanging around.

Mrs. Campagnolo: Go back to Surrey. They don't want AHOP in their boundaries.

Mr. Friesen: She is now taking the expertise she gained solving all the northern transportation problems and is investing her expertise in Loto Canada where she has managed to lose $13 million. Now she wants to help in housing problems.

Members of this House, I do not think we need that kind of help from the minister of amateur fitness.

The Liberal members want to draw up a list as long as your arm listing all the reasons the program we have devised will not work. Although they are against it, millions of home owners across Canada are in favour of it, and they are going to see that we have a chance to bring about that policy and provide them with the kind of help for which they are looking.

Mr. Hare: If there is ever an election.

Mr. Friesen: That's right. There is another suggestion that I think is interesting. Something like 400,000 home owners in this country spend over 30 per cent of their income on housing.

Mr. Johnston (Westmount): They own homes though.

Mr. Friesen: Can they afford them? The CMHC guideline states that you should never spend more than 25 per cent. The government is breaking its own guideline and allowing CMHC mortgages to people paying more than 30 per cent of their income. There are something like 800,000 home owners who spend over 25 per cent of their income on housing.

We have a situation where 1,200,000 home owners in this country spend more than 25 per cent of their income on housing. We in the Conservative party have a solution to that problem. If the Prime Minister gets the nerve to call an election we will be able to present that solution. May I call it ten o'clock, Mr. Speaker, so that I can finish tomorrow?

● (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been made.

LABOUR DISPUTES—ACTION TAKEN TO AVERT POSSIBLE STRIKE OF VANCOUVER DOCK WORKERS

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I rise in connection with questions I raised last Friday in the House during the question period with respect to some of the difficulties being experienced by our grain transportation system. I know that we often rise in this House for the purpose of trying to get better answers to some of the questions we put in question period, but I am in the awkward position of having taken the exceptional step of giving notice of my intention to ask a question, explaining to the minister precisely what I was going to ask, and having the parliamentary secretary get up and tell me that he would take notice of my question. That is what I would term the ultimate in unsatisfactory answers as far as a question very important to western Canada is concerned.

[Mr. Friesen.]

Quite apart from the fact that grain transportation is vital to the farmer and an efficient grain delivery system is vital to people in western Canada, I should point out these are also vital to the total economy in Canada. I think the government should pay attention to that fact, and when people from western Canada ask questions about such very important topics, the government should understand how important they are to all of Canada. They are not local, parochial, or regional questions at all.

I want to deal this evening with that aspect of my question which related to hours of work regulations under the Canada Labour Code. You will know, Mr. Speaker, that under the amendments to that legislation which were passed in 1977, there has been ongoing consultation between the Department of Labour and western grain elevator operators with respect to whether elevator managers in western Canada are going to be exempted from the hours of work provisions in that legislation, or whether there is going to be some special arrangement for elevator managers, having regard to the unique and seasonal nature of their business in terms of the grain trade. I am sorry to report that there has been no resolution of that very serious matter.

The minister has been out in Western Canada meeting with representatives of elevator companies, pools and others. They have been very dissatisfied with the way in which this matter has been handled as far as the Department of Labour is concerned. In fact the secretary-manager of the Western Grain Elevator Association, Mr. Keith Grey, is quoted as saying that the Western Grain Elevator Association is totally dissatisfied with the proposed hours of work regulations for grain elevator workers. He said:

> We are not happy with anything because we feel the managers are exempt and Labour Canada is taking a firm position in opposition of that representation, which we feel is not on sound ground.

The article in which that quotation is printed goes on to say:

> He said the minister has met with the association on two separate occasions to explain why country elevator managers "cannot be totally exempt from the hours-of-work provisions of the Canada Labour Code."
>
> "The bureaucrats are not concerned with political ramifications. If we cannot obtain an understanding with the minister through discussion, then we will have to go another route," Grey said.

In another interview Mr. Grey put his finger on the way this problem might be solved. He is quoted in the *Western Producer* of Thursday, March 1, 1979. The article in which he is quoted reads in part as follows:

> A change of government in the next federal election would probably help the grain elevator industry receive a permanent exemption from federal hours of work rules for employees—
>
> If the Progressive Conservatives win, "I think they are in tune with the concerns of western Canada," he said. "It could well mean a total exemption."

Mr. Grey went on to reiterate that the Minister of Labour (Mr. O'Connell) understands and is sympathetic to elevator company concerns about hours of work, "but he is getting bad advice from his bureaucrats". The situation is simply that federal proposals to end the exemption have been postponed several times, and the latest postponement came last February

15 when implementation was put off from April 15, 1979, to April 15, 1980. The article goes on:

> Industry officials have argued that because elevator managers are paid both a base salary and some "incentive bonuses," hours restrictions and overtime would require a major revision of pay structures. It would also require an extensive monitoring and policing system.

● (2205)

I think the worst complaint of the people in the industry and of the people in western Canada is the indecision and lack of sensitivity of the government to the practical circumstances of the western farmer in terms of his relationship with the western grain elevator managers. These people, by and large, are highly industrious, highly efficient managers of western grain elevators, and they perform a very important and useful function within the community. They are available to farmers at a time of their greatest need. They are compensated in terms of incentive bonuses and are given time off to make up for the overtime they put in during the course of a busy season. Probably this is hanging over them as another obstacle to the efficient grain delivery system, so I ask the parliamentary secretary to give us some assurance, and to give some assurance to western Canadians and to the grain elevator managers with regard to the government's intentions, whether or not it is going to play around with the matter indefinitely, causing the kind of inconveniences which have been caused up to this point.

[*Translation*]

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Labour): Mr. Speaker, I would like to extend my apologies to the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn) for not answering his second question last Friday, but unfortunately, despite the generous 15 minutes' advice he gave to the minister's office, it had been impossible for me to grasp all the aspects in his question in order to give him a reliable and complete answer. I hope I will be able tonight to give him some elements of answer which will prove to his satisfaction.

[*English*]

Since his appointment last year, the Minister of Labour (Mr. O'Connell) has had numerous discussions with representatives of the Western Grain Elevator Association on the hours of work question. The association is fully aware of his position regarding the need to ensure fair treatment of employees. He is also aware of the needs of farmers for extended grain elevator services during the planting and harvest seasons.

Consequently, the Western Grain Elevator Association and the grain services union have now been informed that the current exemption from the hours of work provisions of the Canada Labour Code for country elevator agents, managers and their assistants, due to expire on April 14, 1979, will be extended to April 14, 1980, at which time a modified hours of work regime will come into effect.

The new hours of work regime will take into account the interests of the employees concerned, the interests of farmers and the interests of the grain elevator companies, by providing for standard hours of work of 48 in a week and a maximum of 60 hours a week during the planting and harvest season, instead of the 40 and 48 hours respectively provided by division I of Part III of the Canada Labour Code.

[*Translation*]

REGIONAL ECONOMIC EXPANSION—INQUIRY WHETHER AGREEMENT REACHED WITH NEW BRUNSWICK ON ADDITIONAL DEVELOPMENT

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, last Friday, I asked the Minister of Regional Economic Expansion about the progress made in the negotiations with New Brunswick concerning a subsidiary agreement on so-called developing regions.

These regions include not only my riding of Madawaska-Victoria but also that of Northumberland-Miramichi and the regions of Grand Lake and Charlotte in southern New Brunswick which, as a whole, have not yet been covered by a special agreement as was the case in almost all other regions of the province.

The northeast agreement has been known for years and includes the counties of Restigouche and Gloucester. There was an agreement on the Mactaquac region, the agreement concerning the special zones of St. John and Moncton, the agreement on Kent county, and let us not forget the sectorial agreements on agriculture, forestry, highways and others which of course concern the whole province.

In the circumstances, it was perfectly normal that northwest New Brunswick should claim its fair share. However, I emphasize that my region benefited from the programs offered by the federal government through DREE, the Department of Transport, the Department of Urban Affairs and others. The regional airport, Assomption Crossing in Edmundston, the regional museum, McCain Foods, Nadeau & Nadeau furniture, Fraser plants and dozens of small businesses are just a few examples of a long list of achievements in which the federal government has been involved. However, there is still some basic work to be done and I shall deal with this tonight. There are the municipal infrastructures that are essential to a certain quality of life and conditional to our economic development.

● (2210)

The small municipalities which do not have a large enough tax base to provide a minimum of services are particularly deserving in this regard.

While the northeastern part of the province and urban areas in the south could benefit from generous federal-provincial development agreements, many northwestern municipalities either had to freeze their water and sewer system projects, for instance, or pay through the nose. The provincial government told them: You are wealthy enough, you are well off in the northwest.

My colleague from Northumberland-Miramichi (Mr. Dionne) and myself were opposed to these disparities being perpetuated in a province which was already underprivileged compared with the others. We urged the present minister to correct these aberrations and I believe that we have won the first 14 rounds of the match, thanks, I am glad to note, to the understanding and the generosity of the minister, and in spite of the stubborn resistance first shown by the province of New Brunswick which opposed the negotiation of this agreement.

We therefore developed, with the industrial boards of our areas and in close consultation with the municipalities involved, a series of projects and proposals which, if all were accepted, would greatly assist in our industrialization and job creation efforts, without however being a solution to all the problems. This does not mean that all the proposals contained in the draft agreement are equally good or urgent or that the federal and provincial governments have enough money to finance all of them. As usual, the federal government will pay the bigger share, from 75 to 80 per cent, and the province and the municipalities, the taxpayers in other words, will pay the rest.

Unlike certain provincial ministers who represent my area, I do not consider the federal government as an inexhaustible source of funds. I feel particularly distrustful of electoral promises made by provincial politicians who will deliver just about anything and unknowingly feed great expectations into the minds of local governments and communities. The very meaning of the words consultation and negotiation should be explained to these people. Furthermore, it is the provincial government which itself put a ceiling of $25 million on the contribution of the two superior levels of governments in the agreement which we are now negotiating. It is a lot or it is too little. It all depends on which side you are. As for me, Mr. Speaker, what is important is to get started and to reach an agreement as soon as reasonably possible. I understand that the federal and provincial governments agree over most of the proposals contained in the draft agreement and that the views vary on one or two projects only.

Orally and in writing I have asked the minister to sign the agreement for the projects on which there is a consensus even if it becomes necessary to add or modify certain aspects later on. The municipalities would like to know the intentions of the two levels of government so as to be able to take advantage of the pleasant season ahead. The minister knows fully well that it takes some time to call the tenders, to study them, to award the contracts, to purchase the materials, to hire the manpower and to get the projects under way.

In answer to my question, last Friday the minister said he hoped that the agreement could be effective as of the next fiscal year. It is also my hope and the Parliamentary Secretary, the honourable member for Malpeque (Mr. Wood), who is going to speak tonight on his behalf and who has been a member of the Atlantic Development Commission, is aware of the problems of my riding and of the maritimes. I am quite confident that he will be able to provide my constituents and myself with an encouraging answer.

[*English*]

Mr. Donald Wood (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, I am happy to have this opportunity to respond to the hon. member for Madawaska-Victoria (Mr. Corbin).

In order to provide for special development measures in four New Brunswick regions which are lagging behind the rest of the province, negotiations are nearing completion with the province for the signing of a subsidiary agreement to provide assistance in overcoming intraprovincial disparities. I am aware, Mr. Speaker, that the hon. member has discussed this important subject as recently as this afternoon with the minister.

An examination of the distribution of economic activity reveals that each of the regions has a significant reliance on the primary sectors. Growth in the manufacturing sector has not been sufficient to absorb increases in the labour force. The four regions are the following: Northwest—the counties of Madawaska and Victoria; Miramichi—the county of Northumberland; Grand Lake—the counties of Sunbury and Queens; Charlotte—the county of Charlotte.

• (2215)

Rates of population growth in these regions have been typically lower than the provincial average. A contributing factor to the relatively poor population growth is the lack of employment opportunities in these regions. Both average income, and average earned income remain below the respective provincial averages. For the majority of the six counties, the gap is most pronounced for average earned income.

There is little to suggest that these regions, left to their own devices, will significantly alter their relative position vis-à-vis their provincial average. There exists a requirement to revitalize the various regional economies, and to encourage local growth and development. The proposed agreement will attempt to encourage such development by providing funds for specific projects which may have a particularly significant effect on the regional economies.

The agreement proposal has been formulated following a planning and public consultation exercise which has attempted to ensure that initiatives respond to public priorities. Special emphasis has been given to the views of local community business leaders. A series of meetings was held in June and July 1978 in order that development needs and potential could be discussed by representatives of government and those of the designated regions.

A major objective of the agreement will be to halt, and possibly reverse the long-term declining trend in employment and income levels. The proposed programs are intended to take advantage of resource and industrial development opportunities, and reinforce the growth potential of a number of selected centres by the provision of infrastructure assistance.

TRADE—GATT NEGOTIATIONS ON NON-TARIFF TRADE BARRIERS

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, I rise to take part in this debate to follow up a question I put to the minister responsible for DREE, the Minister of Regional Economic Expansion (Mr. Lessard), on February 28, dealing with his knowledge of the current GATT negotiations. In his response the minister said he was not in a position at that time to report on the progress which had been made with the United States in relation to non-tariff trade barriers.

Unfortunately, time did not permit me to pose my supplementary question. It would have been in line with my proposed motion under the terms of Standing Order 43 for which I had earlier sought unanimous consent. It would have been: "Would the minister consider proposing regionalization schemes and negotiating subsidized exports so that provinces such as New Brunswick could benefit from the lowering of trade barriers with New England and become an attractive location for branch plants?"

I should like to reiterate, for the benefit of the House, that the maritimes and New Brunswick were at one time the hub of economic activity in Canada. It was only after the opening of large markets in central and western Canada that our economy began to decline. It is not the way of maritimers or of Atlantic Canadians to expect others to bear the burden of the social and economic stagnation we have experienced over the past number of years. We possess a good many resources, including people, to deal with our problems.

• (2220)

What has happened is that the Atlantic region and the maritime region have become a bit like a boat, adrift in the sea of economic stagnation, with a broken oar. There are all kinds of statistics to point out the fact that the maritime region and the Atlantic region are indeed a depressed area and, therefore, an area at which this government should take a strong look.

The government's approach has been through DREE and in that respect I give it full credit, although DREE has not solved the problem. It has been in existence for approximately ten years and, indeed, it has allayed our difficulties to some degree. I applaud the government's efforts from the standpoint of realizing that the maritime region does have a particular problem. I want the government to know that, as maritimers, we appreciate the feeling that the government has taken in its approach through DREE.

Unfortunately what has developed since the decentralization of DREE is that there has been no change in its attitudes, no gut changes in its approach. This has contributed to the continuing attitude of the Bay Street mandarins toward the Atlantic region, an attitude which I refer to as a "piggy bank" attitude. I feel that there should be a definite plank for development. I believe that DREE should take upon itself a program to establish definite goals that would illustrate the direction in which it would like to see the Atlantic region go. I believe that a fresher approach is necessary, and I would like to see new life injected into the old program and hierarchy of DREE.

Let me now refer to the present GATT negotiations. I am not privy to any inside information, but I believe that one approach which could be taken to help develop the Atlantic region would be to negotiate with the United States with regard to the maritime and Atlantic regions specifically. The Atlantic region is hindered in taking advantage of the great New England market, which is comprised of millions of people, by the economic countervailing duties, trade barriers, and so on.

I would like to see the day when DREE could be disbanded altogether. I suggest that one approach would be to set up a special program whereby products which are manufactured and exported from the maritime region to the New England market are given special consideration. This would have the benefit of attracting new industry to the maritimes and of inspiring manufacturers to expand existing industry. It would also pave the way for that well known approach which has been talked about for some time, the branch plant approach, whereby major manufacturers in other areas of Canada locate and establish branch plants in an area which has access to particular markets. We offer in this case a well positioned geographic location plus a solid, substantial labour market, so that the products of an industry could be very attractive to that very lucrative New England market.

It was in this context that I posed my question the other day during question period. I appreciate the opportunity of having this allotted time to bring my concerns to the attention of the government, because I am not hindered by the question period in so far as supplementary questions are concerned.

I think that the attitude of the government, although it is channelled in the proper direction, has become stagnated. I would like to see a face lift for DREE, with the ultimate goal of phasing out the operation totally because we, as Atlantic Canadians and maritimers, have the expertise, labour, and certainly the willingness.

• (2225)

Mr. Donald Wood (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, I am glad to have the opportunity to respond to the hon. member on the question of our progress with the United States in the GATT negotiations in Geneva in the area of non-tariff barriers.

The draft agreements that we have been discussing with our trading partners cover a very wide range of subjects—subsidies and countervailing duties, government procurement practices, customs valuation, safeguards against disruptive imports, technical barriers to trade, import licensing procedures, the counterfeiting of commercial trade marks, and trade in civil aircraft and parts. All of these, of course, have been the subject of multilateral discussion rather than direct negotiation with the United States. Given the extent of our trade with that country, however, their impact on the flow of goods between us is clearly of major significance. An obvious example is the code on subsidies and countervailing duties.

As a result of these negotiations, the U.S. Congress will be asked to amend its legislation to require a determination of material injury to domestic industry as a precondition to the imposition of countervailing duties. Such a change will substantially diminish the threat of such duties being levied against Canadian exports which have benefited from Canadian assistance programs. This has obvious relevance to the sorts of cases we have encountered in recent months.

In the area of government procurement, what is being discussed is a code which will provide a start in bringing government purchases under international trade discipline. The question of coverage is still under negotiation. With regard to customs valuation, an international code has also been under discussion. As drafted, there remained a number of difficulties from the Canadian point of view. No government decision has yet been taken as to whether or not Canada will adhere to this code and, if so, under what conditions.

Another important area in the negotiations has to do with safeguards, that is to say, the action which a country is permitted to take to protect its domestic producers from serious injury arising from a sudden and significant increase in imports. One of the special questions under discussion is a provision which would allow such action to be taken on a selective basis against imports from those countries primarily responsible for the injury, rather than against imports from all suppliers of the product in question.

The proposed agreement of technical barriers is designed to prevent the use of standards or technical regulations in such a way as to create unnecessary obstacles to the flow of international trade. Canada and the United States have common interests in this area.

In general, Canada and the United States are in reasonable agreement on these various codes and other arrangements. For the most part they are at a relatively advanced stage and negotiations are continuing. Even after the negotiations are over, of course, there will undoubtedly remain a number of non-tariff problems to be resolved. These will be taken up as necessary with the United States and our other trading partners.

Mr. Deputy Speaker: Order. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the House adjourned at 10.28 p.m.

HOUSE OF COMMONS

Tuesday, March 6, 1979

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

PUBLICATIONS

OFFENSIVE ARTICLE IN "WEEKEND" MAGAZINE—MOTION UNDER S.O. 43

Mr. John C. Crosbie (St. John's West): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

In view of the unnecessarily offensive nature of the article entitled "Confessions of an Ex-Priest" in the *Weekend* magazine of March 3, having no redeeming social purpose or point other than sensationalism in attempting the degrading of a major Christian religion and libelling those who serve that cause, I move, seconded by the hon. member for Vegreville (Mr. Mazankowski):

That this House regrets the poor taste and deplorable lack of honest journalistic standards of *Weekend* magazine as shown in the issue of March 3 and hopes that such a lamentable lack of judgment and good taste will not be repeated.

Mr. Speaker: Presentation of such a motion for debate can be done only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

VETERANS AFFAIRS

INTRODUCTION OF MEASURES TO IMPROVE PENSIONS—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, under the provisions of Standing Order 43, and seconded by the hon. member for Winnipeg North (Mr. Orlikow), I move:

That this House declares its readiness to give swift passage, before parliament is ended, to any legislation respecting veterans, particularly if it modifies the 48 per cent rule which applies to the widows of disabled veterans, adjusts the rate of compensation for former prisoners of war, or makes improvements in the War Veterans Allowance Act, and that this House expresses the hope that the Minister of Veterans Affairs (Mr. MacDonald) will introduce such legislation forthwith.

Some hon. Members: Hear, hear!

Mr. Speaker: Presentation of such a motion for debate requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PUBLIC WORKS

QUESTION ANSWERED BY PARLIAMENTARY SECRETARY—MOTION UNDER S.O. 43

Mr. R. E. McKinley (Huron-Middlesex): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of pressing necessity.

In light of information provided in the House yesterday by the Parliamentary Secretary to the Minister of Public Works (Mr. Herbert) which is both misleading and in conflict with statements issued by the minister last week, I move, seconded by the hon. member for Northumberland-Durham (Mr. Lawrence):

That this House directs the Minister of Public Works (Mr. Ouellet), when he is to be absent from the House, to make sure someone in a position to speak for him has been informed about issues affecting the running of his department, so as to safeguard against misleading the House on matters which the minister has already announced to the country at large through the press.

Mr. Speaker: Order. The hon. member for Prince George-Peace River (Mr. Oberle).

* * *

HOUSE OF COMMONS

REPORTED PC CANDIDATE IN NEXT ELECTION—MOTION UNDER S.O. 43

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my motion under Standing Order 43 is in regard to public announcements as reported in the *Sunday Post* of March 4 respecting a very senior, partially public official, the housing czar of Canada, Mr. Teron, who stated that he is moving into the third world and that he has been recruited by the Progressive Conservative party as a candidate.

● (1410)

I move, sir, seconded by the hon. member for Wetaskiwin (Mr. Schellenberger):

That the public record be set straight, and that it be known that unlike the Liberal party, the Progressive Conservative party does not make—

Some hon. Members: No.

S.O. 43

Mr. Speaker: Order, please. The hon. member for Regina-Lake Centre (Mr. Benjamin).

* * *

EMPLOYMENT

ALLOCATION OF FUNDS TO YOUNG CANADA WORKS PROGRAM—MOTION UNDER S.O. 43

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I also have a motion under Standing Order 43 on a matter that is urgent and pressing, having to do with the Minister of Employment and Immigration (Mr. Cullen).

In view of the fact that the minister has allocated $226,000 for Young Canada Works projects in the east half of Regina, where the Minister of Transport's brother-in-law is the Liberal candidate, but the same department has allocated only $50,000 for Young Canada Works in the west half of Regina, I move, seconded by the hon. member for Yorkton-Melville (Mr. Nystrom):

That this House require the Minister of Employment and Immigration to adjust the allocation of funding for these two areas in a more fair and reasonable proportion, rather than being party to this blatant attempt to bail out the Minister of Transport's brother-in-law at public expense.

* * *

[*Translation*]

FINANCE

NEED FOR DISCUSSION WITH COMPANIES AND UNIONS TO OBTAIN REASONABLE INTEREST RATES AND PRICES—MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with an important matter of pressing necessity.

Considering that the Centre for the Study of Inflation and Productivity stated in an article published in *La Presse* on February 7 last that salary demands denote a sharp upward trend; considering that a report financed by the Economic Council of Canada also published last week indicated that chartered banks had made excessive profits of $500 million from 1968 to 1973 and that this trend is continuing, since one of them increased its profits by 58 per cent in its last financial year; considering finally that those trends could signal a new inflationary push, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That this House enjoins the Minister of Finance (Mr. Chrétien) to initiate immediately some discussions with corporations and unions to make them moderate their interest rate, selling prices or wages demands, as the case may be.

Mr. Speaker: Order. The House has heard the motion of the hon. member. Pursuant to Standing Order 43, such motion can be presented for debate only with unanimous consent. Is there unanimous consent?

[Mr. Oberle.]

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

NORTHERN PIPELINES

CONSTRUCTION OF ALASKA HIGHWAY PIPELINE—MOTION UNDER S.O. 43

Mr. Maurice Foster (Algoma): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

Considering the testimony given before the Standing Committee on Northern Pipelines this past week which indicates that unless action is taken by the United States Congress very soon to overcome the regulatory delays in the United States, the Alaska pipeline project completion date will be delayed up to two years beyond the date agreed to in the Canada-U.S. treaty, and considering the economic importance of this project proceeding on time both in Canada and in the United States, I move, seconded by the hon. member for Peel-Dufferin-Simcoe (Mr. Milne):

That this House supports the action of the Prime Minister in his meeting with President Carter last weekend in impressing upon the U.S. President the urgency of moving ahead with the Alaska pipeline project.

Mr. Speaker: This motion can be introduced for debate at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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STATISTICS CANADA

REMOVAL OF PERSONAL DATA FROM TAXPAYERS' FILES BEFORE DEPOSITING WITH STATSCAN—MOTION UNDER S.O. 43

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, pursuant to Standing Order 43, I rise on a matter of urgent and pressing necessity.

Prompted by a measure unveiled by the federal office for the reduction of paperwork to develop a plan allowing Statistics Canada to make maximum use of income tax records, I move, seconded by the hon. member for Central Nova (Mr. MacKay):

That in view of the demonstrated incompetence of Statistics Canada to preserve the confidentiality of tax data in their possession, as well as medical health records, that the conditions under which tax data is made available to Statistics Canada, pursuant to the Statistics Act, be severely restricted, and that names and other pertinent details of taxpayers' personal lives be properly removed from income tax forms before Statistics Canada is given access to them.

Mr. Speaker: Such a motion can be introduced for debate at this time, pursuant to Standing Order 43, only with unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

● (1415)

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

MONITORING OF CONSUMER PRICES BY CSIP—POWERS OF AGENCY

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in the absence of the Prime Minister and the Minister of Finance, I put my question to the Minister of Consumer and Corporate Affairs. It deals with the National Commission on Inflation. I would draw to the minister's attention a statement made in this House yesterday by the Minister of Finance who stated: "The government has concluded that the power of inquiry was needed by CSIP, but as we could not give this power to CSIP we created a new institution". The minister was referring to the National Commission on Inflation.

My question to the minister is very simple. Did CSIP indicate at any time that they were being frustrated with respect to their own monitoring arrangements because they did not have power under the Inquiries Act, and did they ever request from the government the need for such power?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, I have no responsibility for CSIP. That question would have to be put to the responsible minister.

Mr. Crosbie: What are you responsible for?

Mr. Stevens: Mr. Speaker, I think it is deplorable that the minister in charge of consumer and corporate affairs would say that he has no responsibility with regard to the monitoring of inflation in the economy.

An hon. Member: Order.

An hon. Member: Shame.

Mr. Stevens: I will put my question this time to the Acting Prime Minister and, presumably, the Acting Minister of Finance and I hope it will be treated as an original question. Did CSIP at any time indicate that they were being frustrated with respect to their ongoing monitoring of prices and wages in this country because of the fact that they did not have power under the Inquiries Act, and did they ever request such power to be granted to them under this act?

Hon. Allan J. MacEachen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the question is obviously one of fact which I cannot answer because such a request has not been addressed to me. However, it is self-evident that any instrument in this field would be much more effective if it had the power of inquiry. This is why the government has moved to provide a body with the power of inquiry. It seems to me that under the circumstances it is somewhat irrelevant whether CSIP did or did not ask for this power, or whether or not it was frustrated in its operations. The fact is that under the circumstances the government concluded that the formation of the NCI was an appropriate step to take in its concern about inflation in this country.

MINISTER'S STATEMENT ON BANK PROFITS

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, once we get through the gobbledegook, it is clear that CSIP did not ask for any such inquiry powers.

Some hon. Members: Order.

Mr. Stevens: My final question is directed to the Minister of Finance and it deals with a statement he made yesterday in answer to a question. The minister stated: "As for bank profits, there was a problem in our system, that we called income debentures, and in our November 16 budget we eliminated this system by which banks could make profits we found excessive—"

The Royal Bank has stated very plainly that income debentures did not contribute even materially to their profit increase in the statement which was brought out with respect to their last quarter. In view of the fact that the minister was told by the Royal Bank that that was the case, would he indicate whether or not he simply misled the House, or whether or not he just did not understand what he had been told?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, I pointed out, with regard to this problem, that there are other aspects to the profit picture of the banks upon which they have been asked to elaborate. They made a great deal of their profits last year in their foreign operations. I believe that I did mention yesterday that the problem of the tax aspect of bank profits was one of the loopholes which we were attempting to plug last November.

NATIONAL COMMISSION ON INFLATION—ACTION TO CURB UNJUSTIFIED PRICE INCREASES

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Finance. As the predecessor of the National Commission on Inflation, the incomes and prices board of 1969, under the chairmanship of Mr. John Young, had to fold up after three years because of its complete failure to be able to control unjustified price increases, and as the latest commission which the minister announced with such fanfare on Friday is very similar in that neither commission had or has the power to require that action be taken when unjustified price increases are discovered and, therefore, were and are simply investigative bodies, I ask the minister what the government would expect of the commission if it discovered that there were unjustified price increases? Would it put ads in the papers, or would it take time on

television to let the people know? Just what would it do to make sure that unjustified price increases are not allowed?

Mr. Hnatyshyn: Phone Herb Gray.

● (1420)

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, we have given a mandate to the commission. They will decide their own procedure in order to inform the public when they find people abusing the situation. If they are not satisfied, after discussions with the people who have been found not to be collaborating for the betterment of the Canadian economy, they will take the necessary steps to make that public. They could make a specific recommendation to the government, as is mentioned in their terms of reference.

Mr. Hees: A supplementary question, Mr. Speaker. This is exactly what happened in the three years between 1969 and 1972 under the prices and incomes commission. Business simply laughed at the commission and nothing was done whatsoever. Now, with no more power, is the minister not aware that the business community is already laughing at this latest attempt by the government, on the eve of an election, to kid the people of Canada into thinking that something is really going to be done to hold down unjustified price increases? Is he not aware of that?

Mr. Chrétien: Mr. Speaker, I read in the *Globe and Mail* this morning that many organizations have commended this action of the government. The situation under the Young commission was at the beginning of our problems with inflation, not only in Canada but in the world. Since then we have been forced to impose controls. Now we have decided to get out of controls, with the support of everybody including the business community. They now understand, just like the unions, that it is in their best interests to make sure it is not they who are causing inflation in the land.

* * *

CORPORATE AFFAIRS

BUSINESS TAKEOVERS—INTRODUCTION OF REVISED COMPETITION BILL

Mr. Bob Rae (Broadview): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. It is related to the question raised by my colleague, the hon. member for Nanaimo-Cowichan-The Islands, on Friday concerning the takeover bid for The Bay by Thomson interests.

In order to stop the kind of corporate cannibalism which has been taking place in the Canadian economy, will the minister bring in a revised competition bill which will require prior approval for any merger or acquisition over $5 million, to ensure that competition will not be lessened in the marketplace and that prices will not be increased as a result?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, we have said we will bring forward a new competition bill shortly. Hon. members will have an opportunity to examine the provisions of the bill once it is tabled. I might say that it will contain several changes from the bill that was tabled last year, Bill C-13.

Mr. Rae: A supplementary question, Mr. Speaker. According to the minister's department, there were a number of reported takeovers in 1978—439, compared with 296 in 1974.

In light of what the minister has just told the House, could he explain why it has taken this government this entire parliament to bring in the legislation that is required?

Mr. Allmand: Mr. Speaker, in the past few years we have tabled severals bills on this subject, last year Bill C-13 and the year before Bill C-42, which provided quite effective measures to deal with mergers and takeovers. I do not recall any initiative coming from the New Democratic Party, the Conservative party or the Social Credit party to co-operate with us in getting that bill through.

Mr. Rae: A final supplementary question, Mr. Speaker. I find it ironic that, when the government controls the order paper, they would blame the opposition for their lack of action in this critical area.

Since we are on the eve of an election and the bill is not going to be presented to parliament, could the minister take steps to confer with industry and explain to them that the kind of corporate cannibalism that has been going on is having a negative effect on the people of Canada and, in particular, is having a direct effect on price increases?

Mr. Allmand: Mr. Speaker, I have done that already and I intend to have several more meetings with particular companies which have been singled out for their behaviour with respect to concentration, and so on. Hon. members are probably aware of the recent report with respect to the optical industry, which pointed out there was very heavy concentration in the industry. I intend to have meetings with the industry in that particular field shortly.

* * *

● (1425)

[*Translation*]

PUBLIC SERVICE

CAREER COUNSELLING PROGRAM—GOVERNMENT POSITION

Mr. Gérard Laprise (Abitibi): Mr. Speaker, my question is to the President of the Treasury Board. Since I asked him last Friday whether he could tell the House why there is a freeze on the $4 million earmarked for recycling language teachers within the public service, I would like to know if he could give the House an answer today. Did he make an inquiry?

Hon. Judd Buchanan (President of the Treasury Board): Yes, Mr. Speaker, I did make an inquiry. I am trying to find

that document. As I recall, we have decided to protect those people whom the hon. member referred to in the question he asked me. In other words, I think that those people who might want to follow a career counselling program will be protected until new funds are available.

* * *

[*English*]

CONSUMER AFFAIRS

PROPOSED ACTION WHEN EVIDENCE FOUND OF PROFITEERING OR PRICE GOUGING

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary question for the Minister of Consumer and Corporate Affairs.

Given the fact that in this House the minister has leaned very heavily, in reply to questions regarding price gouging and profiteering, on phase two of the competition bill, and given the fact that the Prime Minister has indicated realistically that this parliament will not have time to deal with phase two of the competition bill or, indeed, amendments to the combines act, what does the minister intend to do when faced with evidence of profiteering or price gouging, given the fact that the new inflation agency set-up has no power in this regard?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, when I referred to the role of the competition act and competition reform, I did so in the context of a longer term. There is no doubt that competition reform cannot affect prices in the short-term, but it can in the long-term.

May I say that is only one of several things we have done. Last year, the Minister of Finance took steps twice to reduce sales taxes, both federal and provincial. He also announced measures to help the weaker people in our society, families and senior citizens. Last week we announced the establishment of the National Commission on Inflation which will be able to highlight unjustified price increases, and I have mentioned that we are working on certain supply policies with respect to food.

SITUATION RESPECTING INCREASED PRICE OF CHICKEN

Mr. James A. McGrath (St. John's East): Mr. Speaker, I ask the minister if he could tell the House and the consumers of this country what he proposes to do on an interim basis when faced with evidence of price gouging and profiteering, as would appear to be the case with the price of chicken. The minister indicated in the House that chicken prices are going up because of consumer demand. The Minister of Agriculture indicated that there is a chicken surplus of four million pounds. What is he doing about the situation?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, while reform is necessary with respect to our combines laws, we must not assume that our present laws are completely without effect. In the last year we had several companies convicted of price fixing or market rigging respecting the food industry. I need only mention the record judgment with respect to the sugar companies and the very keynote judgment with respect to jeans and clothing.

I could give many other examples where our department gained major convictions against companies which deal with consumers on a day to day basis.

Mr. McGrath: What are you doing about chicken?

* * *

AIR TRANSPORT

DEFICIENCIES IN COMMUNICATIONS AND OPERATIONAL PROCEDURES AT UNCONTROLLED AIRPORTS

Mr. Don Mazankowski (Vegreville): Mr. Speaker, my question is directed to the Minister of Transport. It arises from Transport Canada's committee report on operational interface which was concluded in June, 1976. The committee reported that there were very serious deficiencies in communications and operational procedures at Canada's uncontrolled airports. It advanced some positive recommendations and urged that they be implemented immediately.

The committee further stated that the severe procedural problems were only symptoms of a deeper, fundamental problem which required a solution of national scope. I ask the minister why he and his department have failed to react to this report expeditiously and why they have failed to carry out the recommendations contained therein. Why was the report buried? Why has the minister not seen the report? If he has, why have communications' regulations not been amended to reflect the recommendations in the report?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the report in question was one that dealt specifically with airports at Inuvik, Fort McMurray, and Fort St. John, as I understand it, if the hon. member is referring to the same report on which I have had information. Action was taken on that report to begin development procedures. The report concentrated particularly on areas where there might be many different radio contacts in one zone. Certain procedures were looked at. Therefore, the hon. member is quite wrong in suggesting there was any burying of the report. Actually, it began to be developed in this regard, as it did in regard to other uncontrolled airports, following the report.

● (1430)

Mr. Mazankowski: The report clearly indicates that a thorough investigation of national scope would be required to expose the comprehensive picture and to expose the deficiencies contained therein. I find it appalling that the minister did not see the report earlier, as reported in the press yesterday.

Will the minister undertake to table the relevant air navigation orders that have been implemented as a result of this report, since the report did have national implications notwithstanding the fact that it was a regional study?

Mr. Lang: Mr. Speaker, I should tell the hon. member that the minister does not see reports of an administrative nature which can be acted on by officials in the ordinary course, unless there is some policy or financial implication directly involved where my assistance is required. If the hon. member wishes to have information about steps taken with regard to this area, an appropriate question on the order paper will allow me to supply him with all the information he wishes.

* * *

STATISTICS CANADA

WRITTEN WARNINGS TO MINISTERS ON LACK OF SECURITY OF RECORDS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce respecting the matter of confidentiality of Statistics Canada records. Is the minister now able, by perusing his records and other measures, to ascertain why the written warnings that were given to his predecessors about the lack of security at Statistics Canada were never acted upon? Can he now assure us that corrective steps have been taken?

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): Mr. Speaker, I can assure the House and the hon. member that corrective steps are being taken with regard to security within Statistics Canada. The problem really arose with the severe cuts made last fall and some of the cuts in man-years that Statistics Canada has had to endure. That caused a shuffle and may well cause some lay-offs in March. That has been part of the problem. It is suggested that the government's attempt to save money is the cause of the hon. member for Central Nova being made aware of certain documents in a certain room.

Mr. MacKay: Mr. Speaker, I appreciate the minister's answer, but I want to inform the hon. gentleman that I have records here which indicate that ten years ago the very conditions relating to the conditions that were illustrated in Building No. 5 were conveyed to his predecessor. Those had to do with medical health records, an even more serious breach of confidentiality. Therefore, I am sure that the excuse the minister just gave would not account for the lack of security ten years ago. I trust he will do something very soon to check the records and find out who is responsible for this.

Mr. Horner: Mr. Speaker, the whole matter is being examined very fully. Whether it was ten years ago, yesterday or today, it is the duty of all people working within the government to obey the law.

[Mr. Mazankowski.]

[*Translation*]

NATIONAL REVENUE

SHOE INDUSTRY—INQUIRY RESPECTING ANTI-DUMPING ACT—GOVERNMENT POSITION

Mr. Marcel Ostiguy (Saint-Hyacinthe): Mr. Speaker, my question is directed to the Minister of National Revenue. Last spring, following the representations made by spokesmen for the rubber footwear industry, the Department of National Revenue made an investigation under the Anti-dumping Act. Could the minister inform the House of the outcome of that investigation and tell us what action he intends to take to help this segment of Canadian industry?

Hon. A. C. Abbott (Minister of National Revenue and Minister of State (Small Business)): Mr. Speaker, the deputy minister of national revenue responsible for customs and excise made a preliminary statement last February 26 in which he said there was some dumping and stockpiling of rubber footwear exported from Czechoslovakia, Poland, Korea and Taiwan. On the same day the matter was referred to the anti-dumping tribunal which will have to rule on the matter of the serious prejudice incurred by the Canadian industry. The tribunal has 90 days to come to a conclusion.

* * *

[*English*]

GRAIN

WHEAT—REQUEST FOR INCREASE IN PRICE PAID TO WESTERN FARMERS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I wish to direct a question to the Minister of Transport. It is asked on behalf of the wheat farmers in western Canada. On December 18 last, I raised an application in the House under Standing Order 43, asking that consideration be given to paying an additional 50 cents a bushel to farmers on the delivery of their wheat. If you look at *Hansard* for that date, you will see that it was turned down by Liberal members, including the Minister of Transport.

In the past few days, on the way to Damascus, the government decided to pay the extra 50 cents a bushel that I asked for in December and which was turned down at that time. I find farmers everywhere saying that prices have gone up because of inflation in so far as farm matters are concerned, and costs are out of all control; therefore, 50 cents is not enough. I now ask the minister, as we approach the election—which has a wonderful influence on the thinking of the government—whether they will add another 50 cents at this time.

Some hon. Members: Hear, hear!

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I find it extraordinary that the right hon. gentleman makes use of Standing Order 43 to make it sound as though this House turned something down, when all it did was not agree to set

aside the business of the House for that specific issue at that time.

Some hon. Members: Hear, hear!

Mr. Lang: The record should show that just because the right hon. member said that certain people said no to that question, that has no relationship to the truth whatever, as quite often takes place under Standing Order 43. All that the right hon. gentleman was doing in December was reading to me what effectively had been passed in the form of a resolution by the Saskatchewan Wheat Pool asking for that 50 cents. I told the Saskatchewan Wheat Pool that it would indeed be appropriate to consider this matter, and that that would be done on or before March 1 as we looked at the whole question of the pool for this year and initial prices for next year.

I assure the right hon. gentleman that this government, conscious of the cash needs of farmers in this spring, is doing as it did a couple of years ago in maintaining initial prices as high as is reasonably possible to give farmers their cash as early as possible and not come around, pre-election, with $200 acreage payments like the right hon. gentleman did.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Mr. Speaker, $200 then meant $200, and not $75 as it does today. I suggest, for the benefit of the minister, that he read *Hansard* of that date. He will find it was Liberal members who turned it down. I now ask him, will he endeavour to tell the truth—

Some hon. Members: Oh, oh!

Mr. Diefenbaker: I said "endeavour" because what he has said so far is the reverse of the truth to the fullest extent.

Mr. Lang: Mr. Speaker, the fact is that at this time the addition of 50 cents to the initial price reflects more than advisers from the Wheat Board would have said was safe to put forward in an ordinary and past time way. Just as two years ago we held at a $3 level when the Wheat Board's opinion in that regard would have been in the order of $2.25 or $2.50 as being safe, we recognized the ongoing regular needs of the farmer. It is our practice to put in place programs which last, not to do as the right hon. gentleman did and throw, ad hoc, $200 in the way of farmers twice, and only before elections. That is what the right hon. gentleman did.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Oral Questions

COMMUNICATIONS

SATELLITE RECEIVING STATIONS—CABLE OPERATORS AND PAY-TELEVISION

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, my question is to the Minister of Communications. The minister has given the green light to cable operators to own satellite receiving stations and to thereby set up a cable satellite network.

Given the current discussions now taking place with the minister and the industry about programming, does the minister acknowledge that the cable industry sees this as an opportunity to establish a pay-television network which the CRTC opposes at this time?

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, with or without a review of the earth station policies, the cable operators were in a position to distribute pay-television. The earth station policy only allows for a network to be installed if cable operators decide to do so.

• (1440)

I would remind the hon. member that pay-television cannot be introduced until the CRTC approves of the content and until it is made government policy.

Mr. Symes: My supplementary question relates to the technical changes which are now taking place and which only facilitate the introduction of pay-TV in accordance with the wishes of operators.

In light of the minister's statement that pay-television is inevitable, how can she justify implementing the very policies which will facilitate the introduction of pay-TV despite the fact that the CRTC concluded only a year ago, after exhaustive public hearings, that pay-TV would further fragment TV audiences to the detriment of off-air broadcasters, would lead to the domination of American programs and would siphon off free programs such as sports into pay-TV?

Mrs. Sauvé: We are, of course, all aware that the introduction of pay-TV would further fragment the audience and we all know that it will be possible at some point in time, as it was when cable was introduced, to get the signals off American stations whether or not the federal government determines that pay-television should be introduced. We do not intend to wait until a situation of this nature presents itself before determining a policy with regard to pay-television and ways and means of introducing it.

As for the hon. member's fear that the review of the earth station policy facilitates the introduction of pay-television in that it allows cable operators to set up a network for that or any other purpose, I would remind the hon. member that this policy allows us to give broadcasting services to people in rural and remote areas; that is the important feature of the review that I have just carried out. It is very important that everybody in this country should have equal access to the kind of broadcasting service which the people in the south enjoy.

[*Translation*]

FINANCE

INQUIRY WHETHER CITY OF VAL D'OR REQUESTED FINANCIAL AID

Mr. Armand Caouette (Villeneuve): Mr. Speaker, my question is directed to the Minister of Finance. It deals with money which the town of Val d'Or had to borrow, like several other Canadian municipalities, in a foreign country. As a matter of fact, the town of Val d'Or borrowed on the Swiss market on January 15, 1973 and the loan is refundable over a seven-year period. Can the minister tell us whether he or his colleagues received representations from the town council of Val d'Or asking himself or the government to help that municipality solve its serious problems?

Hon. Jean Chrétien (Minister of Finance): No, Mr. Speaker, I received no communication from the town of Val d'Or. I do not know whether my colleagues received representations but I would doubt it; this is a decision made by the municipality and a problem it has to solve itself.

INQUIRY WHETHER GOVERNMENT WOULD GIVE FINANCIAL AID TO VAL D'OR

Mr. Armand Caouette (Villeneuve): Mr. Speaker, I wish to direct a supplementary question to the Minister of Finance. As the major monetary instruments and economic means are in the hands of the federal government, could the Minister of Finance indicate whether the federal government would be prepared to take steps to help this municipality?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, the financial problems of municipalities are a provincial responsibility, and I have received no representation from Mr. Parizeau concerning this.

* * *

[*English*]

STATISTICS CANADA

ACCURACY OF FIGURES SUPPLIED BY AGENCY

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. A report published by the C.D. Howe Institute in December claimed that figures supplied by Statistics Canada are inaccurate, misleading and hastily contrived.

Recently, the minister said the people of Canada accept the material published by Statistics Canada as though it were the bible. Would the hon. gentleman comment on these conflicting views? Has he had any discussion with the chief statistician on this matter?

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): I have had numerous discussions with the chief statistician. I do not accept the allegation which the C.D. Howe Institute made about Statistics Canada. Statistics Canada has a difficult problem in assessing promptly what is happening in Canada and to the Canadian economy. If they were to delay releasing their statistics they could, of course, probably be more accurate. In releasing them as quickly, as they do, with respect to each month, as soon as that month is ended, there is, of course, a greater tendency to error. But if one takes into consideration the monthly statements, the quarterly statements and the yearly figures, we see that from time to time they go back and make an adjustment in the figures for a given month with regard to exports, imports, or whatever they are keeping track of.

Large numbers of people, and certainly members of the opposition, always pay a great deal of attention to the monthly release of the CPI figures. This is what I was referring to when I said many people believed Statistics Canada figures as if they were the bible. I do not accept the inference of the C.D. Howe Institute that Statistics Canada is doing a sloppy or a misleading job.

Mr. Corbett: In the light of what he has just said, will the minister have his officials contact the C.D. Howe Institute in an attempt to set them straight, so that people who may not have read the bible from cover to cover may be instilled with as much faith as those who have?

Mr. Horner: Many accountants have passed an opinion on the C.D. Howe Institute and its assessment of Statistics Canada. Most of those I have read, including contributors to the *Financial Post* and the Southam chain, have said that Statistics Canada, in all the circumstances, is doing a good job.

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CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

REPRESENTATION ON COMMISSION

Mrs. Simma Holt (Vancouver-Kingsway): Mr. Speaker, my question is addressed to the Minister of Communications. It is prompted by information published by her ministry with regard to salaries paid to CRTC commissioners—hidden, incidentally, by a spread of $13,000 to $16,000—which amount to more than the average earnings of the taxpayers who pay those salaries.

Since the list of original homes of the commissioners shows six coming from Quebec, two from the prairies and one from Belfast, Ireland, would the minister move quickly to remove the commissioner from Ireland and replace her by one from the Canadian province of British Columbia which has no representation?

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, the commissioners of the CRTC are not nominated to

represent regions. They are nominated for their knowledge of the matters with which they have to deal.

Mr. Baker (Grenville-Carleton): An Irish lullaby!

* * *

CRIMINAL CODE

AMENDMENTS RESPECTING SEXUAL OFFENCES

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to address a question to the Minister of Justice. Bearing in mind the high incidence of crime against women and the appeals which have been received from so many women for legal reform because victims of rape are presently more victimized than the accused when cases come to trial, has the minister considered either reintroducing the reforms as set out in Bill C-52 or introducing a new bill which he told us was under review the last time I asked this question?

Hon. Marc Lalonde (Minister of Justice): My intention would be to introduce an improved bill following representations I have received from women's organizations and various other groups. The offence of rape would be changed to one of sexual assault and aggravated sexual assault, and consent could not be inferred from mere submission, a point to which women have attached great importance.

Further, there would be changes in the law concerning corroborative evidence, another area to which great importance was attached. I hope that when this bill is introduced it will be supported by all women's organizations in Canada.

• (1450)

Mr. Woolliams: Mr. Speaker, I am glad to see the minister is coming around to our way of thinking. I would ask him this: Is he prepared to bring that bill before the House before the election, because a number of backbenchers have said in the Standing Committee on Justice and Legal Affairs that an election is coming any day now and they want this to go through?

Mr. Lalonde: I am surprised to hear that finally the hon. member's party has views on this subject. The only views I heard from his party on this whole issue were very distressing last year when Bill C-52 was introduced.

So far as the bill being brought before the House before the election is concerned, if the hon. member can tell me what the date of the election will be, I will certainly be happy to provide him with the date of the passage of this bill.

Oral Questions

THE CANADIAN ECONOMY

NATIONAL COMMISSION ON INFLATION—ROLE IN RELATION TO RULE OF LAW

Mr. James Gillies (Don Valley): Mr. Speaker, I have a question for the right hon. Prime Minister arising from the answers given yesterday by the Minister of Finance as to the responsibilities of the Chairman of the National Commission on Inflation.

Seeing that the government is giving no guidelines and that it is giving total power to the chairman of that commission to find out what he thinks are excessive increases, and given the fact that he will then try to persuade people to change their views, whether it is labour, business or other segments of society, is this approach not a fundamental negation of the rule of law as it is supposed to be practised in a democratic country?

Right Hon. P. E. Trudeau (Prime Minister): I fail to see why. Perhaps a supplementary question would permit the hon. member to explain.

Mr. Gillies: It seems to me fundamental that in a democracy, people who will have to respond to situations as they are developed by the government should have some terms of reference within which to respond. They have to know what is expected in terms of proper performance.

To give to one man in this country total authority to determine whether or not a labour settlement or a price increase is excessive, and the power to then use the authority of the government to try to persuade people to change when they have no idea whether or not they have broken the law or whether or not they are within the guidelines, because no guidelines are given, seems to negate the fundamental principle of the rule of law that people have to know what they are expected to do before they can do it.

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker, I wonder if the hon. member, as an economist, would not do better to stay in that area rather than talk about the law. He knows better than I do that it is not against the law to cause inflation. One can do that—

Some hon. Members: Oh, oh!

An hon. Member: You have been doing it.

Mr. Trudeau: Even the hon. member's colleagues understand that, and that is saying something. When they understand something, he should rejoice. The hon. member and his colleagues have been complaining about inflation for some months now.

An hon. Member: Twelve years.

Mr. Trudeau: In fact, the hon. member says, since he was born. I am talking about his mental age, Mr. Speaker. They are complaining about it. It is not against the law to have inflationary settlements or to take inflationary actions, yet

they are complaining about it and they want the government to do something about it.

The government has set up an inquiry under the Inquiries Act which is authorized by this parliament. The commission will report on facts which are not illegal but which, we hope, will permit the participants, the actors in the inflation drama, and the government as well as the opposition, to draw certain conclusions. This is not against the law, but policies are drawn from facts and it is facts that the commission will bring to our attention.

Some hon. Members: Hear, hear!

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SMALL BUSINESS

INQUIRY WHETHER REQUIREMENT FOR IMPORT PERMITS FOR INDIVIDUAL SHIPMENTS WILL BE WITHDRAWN

Mr. Ron Huntington (Capilano): Mr. Speaker, I have a question for the Minister of State for Small Business. In view of his commitment to reducing the amount of paper burden for small business, would he discuss with his benchmate, the Minister of Industry, Trade and Commerce, the possibility of relinquishing the requirement for footwear and clothing importers to obtain import permits for each shipment, thus saving the small businessman time, money, frustration and unnecessary extra paper work?

Hon. A. C. Abbott (Minister of National Revenue and Minister of State (Small Business)): Mr. Speaker, I will take that as a representation.

* * *

COMMUNICATIONS

ANTICIPATED DATE OF RECEIPT OF CLYNE REPORT

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I have a question for the Minister of Communications supplementary to that of the hon. member for Sault Ste. Marie. Without getting into the pros and cons of pay-television and the recently announced earth station policy in what is supposed to be the new era for Canadians in reception—and I wonder why it did not come ten years ago—may I ask the minister, before any other policy is defined and announced by the minister, when we are finally going to hear from the Clyne committee and when we can expect their report?

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, I did explain to the hon. gentleman the other day that the earth station policy has been under review for a little over a year and that, having seen the conclusions of that review, I felt I had to make my decision upon the facts which it contained.

As for the Clyne report, I understand I will be receiving it shortly and I will read it and then have it translated.

[Mr. Trudeau.]

CULTURAL AFFAIRS

FUNDING OF CANADIAN COUNCIL OF CHRISTIANS AND JEWS

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, I should like to address a question to the Secretary of State. Given the allegation raised yesterday by the hon. member for Leeds, in his usual broad-brush strokes, concerning the Canadian Council of Christians and Jews, will the minister advise us if he intends to investigate this matter or if he has already done so?

Hon. John Roberts (Secretary of State): Yes, Mr. Speaker. May I say at the outset that I find it extremely abhorrent that a member of the House should use his position to cast such aspersions in such a widespread manner, which necessarily brings a cloud over many civil servants, when he himself has indicated he has no proof that any of these allegations are correct.

Some hon. Members: Shame.

Mr. Roberts: I have found officials, not only in the Canadian Council of Christians and Jews but in my department, to be extremely concerned about these irresponsible charges and I do not wish to let them go by without a reply.

Today I received a request by telegram from the Canadian Council of Christians and Jews both protesting against the irresponsibility of these statements and asking that an independent audit be made of their activities so it can be shown that these allegations are baseless. I am pleased that the Canadian Council of Christians and Jews has indicated its good faith in this manner, and currently my department is arranging for an independent audit to be taken.

Some hon. Members: Hear, hear!

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VETERANS AFFAIRS

INTRODUCTION OF MEASURES TO IMPROVE PENSIONS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have a question for the Minister of Veterans Affairs. Last Thursday, the Deputy Prime Minister in his capacity as government House leader said this:

I have had discussions with the Minister of Veterans Affairs (Mr. MacDonald) and I have assured him that when and if he is ready to bring forward legislation affecting veterans I will co-operate with him.

May I ask the Minister of Veterans Affairs the obvious question? In view of the fact that he has the green light from the government House leader so far as parliamentary time is concerned, and in view of the fact that the House would pass quickly any veterans' legislation, will he make a serious effort to bring before parliament, this week or next, legislation respecting the 48 per cent rule affecting widows, or legislation to deal with disability rates, or his promised review of the War Veterans Allowance Act?

An hon. Member: Or all three.

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, the three items mentioned by the hon. member are under review, and I can go so far as to say today that if progress on them is to my satisfaction and that of the government, I could bring them forward at some time.

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): Ten o'clock.

* * *

SOCIAL INSURANCE

INCREASED USE OF SOCIAL INSURANCE NUMBERS

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, my question is for the right hon. Prime Minister. A short time ago, the Prime Minister wrote to Dennis McDermott, president of the CLC, with respect to the use of social insurance numbers in the private sector.

Is it the Prime Minister's intention and the government's policy not only not to restrict the increased use of social insurance numbers outside of government but also to encourage their use as the single identifying number in government?

Right Hon. P. E. Trudeau (Prime Minister): No, I did not indicate it was the government's intention to encourage such use. I just indicated that the social insurance number existed and if the parties, those who had the number and those who wanted to use it, both agreed, then of course it was not illegal to do so.

Mr. Hnatyshyn: The Prime Minister, during the 1972 election campaign, indicated that he saw not far down the road the possibility of a national identification card or number for Canadians. He thought that would be a possibility. Does he agree with the use of a single identifying number in Canada, and does he think that the social insurance number might be a convenient number to use for that particular identification?

● (1500)

Mr. Trudeau: Mr. Speaker, I would be glad to share my thoughts with the hon. member on that matter and I would be interested in hearing his. In my view, as long as society could do away with these identification forms it was for the better. I was not particularly partial to the introduction of identification cards or identification means, but I think at least I was perceptive enough to realize we are living in a society where these instruments are increasingly necessary in a very complex administrative system. Therefore, I am concerned, if the numbers exist, that they be used in all manners which are legal and not in any other manner.

I do not think it will be possible in our society to prevent the use of computers in order to simplify administrative devices, whether public or private. But as long as they could be resisted, that is, in the hon. member's youth and mine, it was a good thing to resist them.

PRIVILEGE

MR. MACKAY—ACCESS TO INCOME TAX FORMS—MOTION TO REFER SECURITY PROCEDURES TO STANDING COMMITTEE

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise on a question of privilege as a result of remarks made by the Minister of National Revenue (Mr. Abbott) last week in my absence in the course of what he called either a question of privilege or a point of order. Apparently it was prompted by the motion raised under Standing Order 43 by the hon. member for Red Deer (Mr. Towers) regarding confidentiality of tax information. Somehow my name was brought into this matter.

In attempting to assess what the minister was alleging in my absence and the weight to attach to whatever it was he was trying to express, I checked *Hansard* respecting the most recent question of privilege prior to this one where the minister rose to explain he no longer intended to write memoranda to himself, confidential or otherwise. No doubt the minister was referring to those which somehow escaped his office and were reported widely in the press that illustrated among other things his fixation with trying to get out of the shadow of his cabinet colleague, the hon. member for Crowfoot (Mr. Horner). He and the Minister of Industry, Trade and Commerce share responsibility for the confidentiality of income tax forms, and so far he seems much more willing to accept the responsibility.

When this so-called point of order involving myself was raised by the minister on February 27, as reported in *Hansard,* Your Honour said the following:

> The record will have to be examined. My memory is that the minister in his intervention said that the hon. member for Central Nova was possessed of stolen documents. That was the language used; at least, that is my recollection. Like the hon. member for Hamilton West (Mr. Alexander), I will examine the record, as I am sure the minister will, to see whether he made an accusation of a member having committed an offence. If he did, that will have to be withdrawn. We will have to examine the record. The minister, of course, is on notice to that effect.

The following day, the Parliamentary Secretary to the Deputy Prime Minister and President of the Privy Council (Mr. Pinard), according to *Hansard*, defended the Minister of National Revenue by claiming the minister had never said that I "had stolen those documents or knew that the documents were stolen". He concluded by indicating that there was absolutely nothing wrong in that statement, and he asked Your Honour to set any question of privilege aside.

In examining the record of the House, I have found that the Minister of National Revenue, in spite of his self-confessed determination to acquire a reputation of being "a nasty piece of goods" and a "target for animosity", did not claim I had stolen the income tax returns in question. In fact, he said that I was "possessed of stolen tax returns". As I have mentioned already, the Parliamentary Secretary to the Deputy Prime Minister and President of the Privy Council, presumably speaking for the government, assured the House the minister has never claimed that I knew the documents were stolen.

I am quite willing to accept this assertion from the government benches, and I do not wish necessarily to pursue this

particular point any further. However, I must remind Your Honour of the fact the minister on the same occasion, as reported at page 3632 of *Hansard,* accused me of "revealing these forms to the public". I suggest this is not only false but highly objectionable. The simple fact is that confidential income tax information which came into my possession was never made public by me.

The quote from the *Globe and Mail* story of February 23 indicated that I showed copies of four 1974 tax returns. In the House the minister was wrong again and referred to them as 1977 tax returns "with social insurance numbers, taxable income, income tax paid and spouses' names in full view". Your Honour will note that I took care to see that taxpayers' names were obliterated, while those responsible for the care and custody of the tax returns through their carelessness allowed the forms to be left lying around with all the details clearly visible. Then the *Globe and Mail* story continued:

> The Nova Scotia M.P. said he would not release the names on the returns. He said some have already been destroyed but he would not say where the others are.

It is clear I took precautions with the confidential material sent to me. On a confidential basis I even sent a letter to the minister responsible for Statistics Canada, the Minister of Industry, Trade and Commerce, indicating that some of his constituents were affected. For this reason I ask the Chair, having regard to the precedents in Beauchesne's fifth edition under "unparliamentary remarks" and having regard to Your Honour's fine dissertation on a question of privilege raised on March 22, 1976, to extract a withdrawal from the minister if Your Honour thinks it is proper.

I have just about come to the end of my brief presentation, but since this matter was raised in the connotation of the law being broken, and with some suggestion that I was involved in it, I should like to say that there may very well be some instances of the law having been broken. If so, it requires investigation to see whether the persons in Statistics Canada who, as the Minister of Industry, Trade and Commerce very properly said, have a responsibility to ensure that these highly confidential documents are kept inviolate, have not been in breach of the obligations under the statutes, particularly section 23, 18 and 16 of the Statistics Act.

The Deputy Prime Minister and President of the Privy Council (Mr. MacEachen) took a very laudable position when the matter was first raised. As reported at page 3473 of *Hansard*, the minister said:

> Mr. Speaker, of course I agree there is a responsibility to protect the confidentiality of information provided to the government, particularly the confidentiality that is prescribed by law. It is the responsibility of the government to ensure that the law will be carried out.

Before I make a motion on this matter, and by way of additional information which I intimated to the hon. Minister of Industry, Trade and Commerce, indeed there is evidence previous ministers and officials were warned in writing that there were appalling conditions regarding the lack of security in the very building, over ten years ago, where these income tax forms were found. If I may, I will read one sentence to illustrate the point. This is information made available to the Hon. Jean-Luc Pepin back in 1969. It reads:

> In 1968, when the Health and Welfare Division at DBS moved to No. 5 Temporary Building, some mental morbidity cards were stored in room 2141, (although a vault was available a few feet away); more current cards were kept as before in unlocked filing cabinets . . . A few flimsy cardboard boxes, lids open, containing notifiable disease cards were also kept in this room.

This is the point: it existed over ten years ago. It continues:

> Any person, a tramp . . . or someone with more deliberate intent, might easily stroll into the rooms where cards were kept when civil servants were off duty, at night or on weekends, and examine these cards.

In view of these longstanding abuses which I have brought to the attention of the minister today and which he indicated he would look into, I should like to make the following motion:

> That the confidentiality and security procedures of income tax forms, made available by virtue of the Statistics Act to Statistics Canada, be referred to the appropriate parliamentary standing committee to determine the adequacy of existing procedures under the Statistics Act and the regulations thereunder pertaining to confidentiality of income tax matters.

I remind the House and the Chair that in the current information being supplied to Canadians regarding their income tax forms under the Canadian Human Rights Act the following is included:

> An objective of Revenue Canada Taxation is to maintain public confidence in the integrity of the tax system. To achieve this objective the Income Tax Act stipulates that the information you provide on your income tax return must be kept strictly confidential.

● (1510)

Sir, I think this matter is sufficiently important that it should transcend any petty bickering about who said what to whom and ought to be referred to the appropriate standing committee. Obviously, if there is no trust in the tax system of this country, the whole system is in jeopardy.

Mr. Erik Nielsen (Yukon): Mr. Speaker, I rise on the same question, and I rose before the minister spoke because I felt there was another very narrow point that should be dealt with in determining the question of privilege raised by the hon. member for Central Nova (Mr. MacKay).

If I read the record correctly, and if I heard the hon. member correctly, the minister's words were that "the hon. member for Central Nova was possessed of stolen documents". That was the phrase, and that, sir, is a criminal offence. The possession of stolen property is a criminal offence under the Criminal Code. Therefore, the charge that the hon. member for Central Nova was in possession of stolen documents suggests that he is guilty of a criminal offence.

An hon. Member: No.

Mr. Nielsen: Under those conditions I suggest, sir, that the accusation—

Mr. Pinard: Go back to law school.

Mr. Nielsen: Mr. Speaker, the parliamentary secretary says "go back to law school". I have practised law for 27 years and I doubt very much if he has been practising continuously since he has been in this place.

This is a charge of the commission of a criminal offence, and being that the minister should withdraw. I think you, sir, should deal with that specific point. The words were, "the member for Central Nova was possessed of stolen tax returns", which in essence amounts to a charge of being in possession of stolen documents, a crime under the Criminal Code.

Mr. Speaker: Before recognizing the minister I should point out that I think we find ourselves in a bit of a procedural difficulty here in that the motion put forward for consideration by the hon. member for Central Nova (Mr. MacKay) is not in fact a motion which relates to his grievance in the question of privilege, but is a substantive motion which relates to an examination of the confidentiality of income tax returns. That in itself is a very important matter. The hon. member obtained the floor on a question of privilege which relates to some remarks by the minister, but the motion which he would introduce, while relating to that subject, is not in fact a complaint against the language of the minister.

On the other hand, the point made by the hon. member for Central Nova, and referred to by the hon. member for Yukon (Mr. Nielsen), is a valid point.

Let me go back to the intervention by the parliamentary secretary, which is a correct statement, that in fact simple possession of documents that may have been or were stolen is not in and of itself a criminal offence. However, in that regard we are getting very technical. The hon. member, incidentally, said at the beginning of his remarks that he took that intervention as meaning that it was not intended that he be indicted in that way by the minister's remarks.

However, the hon. member for Central Nova then went on to make another point, namely that he did not divulge or reveal this information, and the revealing of that information would be an offence.

On both counts I think we ought to leave this matter very clear. The word of the hon. member in this case must be accepted by hon. members of this House—that is to say, there was no guilt involved in the possession of the documents themselves—and the hon. member's word must be accepted that he did not reveal the information, thereby committing an offence. We cannot deal with this matter without establishing that. However, the hon. member has compounded the case, it seems to me, by ending his remarks with a substantive motion, not one of privilege.

Hon. A. C. Abbott (Minister of National Revenue and Minister of State (Small Business)): Mr. Speaker, I should like to take a moment or two, because of the seriousness of this problem, to deal with the question of taxation documents and why they may be in the hands of Statistics Canada. During the course of this intervention there have been allegations made from various quarters that Revenue Canada has been slipshod in the handling of these documents and that Statistics Canada should not necessarily have the documents.

The point I would first like to make is that Statistics Canada has an obligation to provide facts, collect statistical information, and provide, among other important facts, the earnings by society of income and its distribution.

The tax returns of individuals and corporations which are provided to National Revenue for purposes of tax administration provide the best and most reliable source of information on incomes. Parliament recognized this in section 23 of the Statistics Act when it stated:

> The Chief Statistician or any person authorized by him to do so may inspect or have access to any returns, certificates, statements, documents, or other records obtained on behalf of the Minister of National Revenue for the purpose of the Income Tax Act.

At the same time, parliament was concerned that the information so provided to Statistics Canada should be kept confidential and, therefore, it further provided that the "information when communicated to Statistics Canada shall be subject to the same secrecy requirements to which it was subject when collected". Clearly this means that employees of Statistics Canada are required to comply with the severe confidentiality provisions of the Income Tax Act which imposes penalties upon an official or authorized person who shall knowingly communicate or allow to be communicated any information obtained for the purposes of the Income Tax Act.

Statistics Canada publishes income information only about groups in a way that hides tax information about any individual. Those are the provisions of the law, provisions of the Income Tax and the Statistics Act, and my department and Statistics Canada, to the best of my knowledge, operate in accordance with these provisions.

We now come to the point raised by the hon. member for Central Nova (Mr. MacKay). He refers to my position the other day, that I was concerned that members were making wide ranging allegations that income tax information, not simply in the hands of Statistics Canada but perhaps also in the hands of Revenue Canada, were being handled in a slipshod manner. I attempted during the question of privilege to assert that this was not the case and that a good deal of the blame for this whole incident rests with the hon. member for Central Nova.

In an article in the *Globe and Mail* of February 23, which I did refer to earlier on the question of privilege, the hon. member revealed that he had gone to Statistics Canada and had found about 50 cardboard boxes full of confidential tax returns which he said were "lying unattended in a Statistics Canada office building in Ottawa". The duties and responsibilities of the hon. member as a parliamentarian do not give him the right to go into a building which he may say is improperly guarded and under the guardianship of Statistics Canada, to go down to the basement of the said building and look at files in boxes which are marked confidential, return and presumably, if this article is correct, encourage others in the form of news cameramen or others to take the same journey and photograph the boxes and whatever documents may be there.

The hon. member, knowing the law, knowing the obvious security provisions of the Income Tax Act, and knowing that he himself had seen the boxes marked "confidential", received,

he asserted, 100 or so returns. He showed a *Globe and Mail* reporter copies of four 1974 tax returns he had been given, the taxpayers' names having been obliterated, but with the social insurance numbers, the taxable income, income taxes paid and spouses' names in full view. The article goes on to state:

> The Nova Scotia MP said he would not release the names on the returns. He said some have already been destroyed but he would not say where the others are although he promised he would eventually destroy all the forms he had been sent.

He knew perfectly well that he was not entitled to copies of those forms. He knew they were bound by the Income Tax Act, and he knew that whoever had communicated them to him had done so not only improperly but unlawfully. When, indeed, I suggested he was possessed of stolen reports, I had no doubt that these returns, if transmitted to him anonymously or otherwise, had been transmitted by someone acting outside his right under the law and who was committing a serious offence. Naturally, knowing the hon. member's zeal for justice and his inquiring mind, his instincts as a detective—we all remember the bugging caper of not so long ago—he recognized that he had a self-appointed duty to ferret out such matters.

● (1520)

Certainly I was not accusing the hon. member of any criminal offence because he had those documents in his possession, for many people, perhaps disgruntled people, know him as a likely source of interest to whom such information could be sent. Nor do I stand and say that Statistics Canada, in the instance the hon. member revealed, was managing the documents with the kind of care which is required under the law. I think that my colleague the Minister of Industry, Trade and Commerce (Mr. Horner) confirmed this somewhat when he said that the law had to be obeyed but that it was because of financial shortcomings that they could not properly look after the documents. I do not think that this is a reasonable excuse. Statistics Canada must obey the law and look after such documents with great care.

At the same time, however, I think that I was right in taking the position back to the hon. member himself that he had gone to a building, that he knew the records were highly confidential, that he only raised the point because of this high confidentiality and the legal requirements for secrecy and that he brought the matter before parliament and the news media and showed them returns in a fashion, according to the report, that any intelligent observer could find out to whom the returns belonged. For example, the report stated that some of the returns were from Alberta farmers. There was a picture taken, thanks to the guidance of the hon. member who led the media to the premises of Statistics Canada, which shows the form of a resident of Courtenay, B.C. The name was obliterated from the picture, but it was taken.

I suggest that the hon. member did not act with the kind of responsibility which one should expect of a member of parliament in such circumstances. He seems to have done so only for the purpose of gaining the centre of attention by leading his crew of cameramen around so that he could be photographed in his self-appointed role as guardian of our society. When I stated that that information was stolen I suggest that clearly I am correct. The hon. member had no business having that information in his hands. It should not have been transmitted, anonymously or otherwise, by the person or persons who did so, and it is a serious offence under the law. I suggest also that the hon. member acted with a good deal of recklessness in encouraging reporters to take a look at the documents he had in his hands and in encouraging other media representatives to take a tour of Statistics Canada's building to see other tax returns.

I do not feel that there is a question of privilege here. If I had accused the hon. member of stealing documents, of course, I would have been wrong and would have quite properly been obliged to withdraw the remark; but I do think that anybody could assert that the 100 income tax documents which were marked highly confidential and which were in the hon. member's hands, having been sent to him anonymously, could have been sent to the hon. member by anybody who was doing anything but stealing that information as defined under the law.

I am not suggesting that the hon. member is guilty of a criminal offence because he held on to those documents. Perhaps in his position as a member of parliament he has certain rights in the interests of the public to deal with the matter and acknowledge his possession, I do not know. What I suggest is that there is no question of privilege, and I believe that my position in this matter is entirely conscionable.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, if the facts as they have been asserted in terms of the status of the document which the hon. member for Central Nova (Mr. MacKay) received—using the words of the minister, "documents that must have been stolen"—are correct, then I do not think that the minister has obliterated of defended the question of privilege which has been raised by the hon. member. In fact, what he has done is compounded the position of the hon. member for Central Nova. The minister's words, "possessed of stolen returns" in reference to the hon. member for Central Nova are damaging to the hon. member. It is also a tenet of the criminal law that the doctrine of recent possession casts an onus upon a member of parliament or anyone else in whose possession those documents are found to turn them over to the proper authority.

The question of necessity under those circumstances takes on a different aspect. What the minister has done in making the statements he has, instead of admitting perhaps overzealousness in his desire to be the cutting, controversial figure and arguing that there is no question of privilege, is in fact established grounds for a question of privilege. The House cannot allow this to stand. The word "stolen" casts aspersions on the honesty and integrity of a member before the House, and it cannot be allowed to stand.

If the hon. member's motion is imperfect in the manner in which it is put, we have had imperfect motions before and time has been given to perfect those motions; and I think that it is the duty of the Chair to allow that time.

It is an offence within the law that applies to income tax officials, Statistics Canada officials, private citizens, members of parliament or whoever, to break the confidentiality which is imposed upon them.

In the second reference the words "and this private dick in residence in the Tory party has been revealing these forms to the public" constitute an accusation by the minister to the effect that the member for Central Nova has committed an offence.

Mr. Abbott: Those are his own words.

Mr. Baker (Grenville-Carleton): I do not think that those words should be allowed to stand. There is no question of intent there, and the words themselves raise a question of privilege. The hon. member for Central Nova ought to have time, if he has been imperfect in his motion today, to make the necessary corrections.

The final matter which I want to deal with is the question whether a member of parliament has a duty in a public building. For the purpose of my argument, I do not put a member of parliament in the position of trespassing on such property, which is the implication. Unless a member of parliament went into a building against the instruction of the security service guarding that building or against some form of indication on the building that he could not enter, then a member of parliament or anybody else can go into that building and go through it. There is nothing sacrosanct about a government building unless it is made sacrosanct.

Mr. Munro (Esquimalt-Saanich): There better not be.

Mr. Baker (Grenville-Carleton): As the hon. member for Esquimalt-Saanich (Mr. Munro) has said, there better not be. Supposedly, we operate a relatively open system. However, there is a duty on the Government of Canada, which was accepted by the government House leader last week, to maintain certain confidentiality.

If there has been a breach of that duty of confidentiality, then the public will judge the circumstances and conduct themselves accordingly with regard to the Minister of National Revenue (Mr. Abbott) or the minister responsible for Statistics Canada, the Minister of Industry, Trade and Commerce, or whoever, as to what credit ought to be bestowed upon them for maintaining confidentiality. In these circumstances and according to the minister's own admission, there is not very much credit to be bestowed.

Unless a member of parliament is stopped—he is no better or worse than any other citizen in society—that member has the right to go into a public building. As I understand the situation, the hon. member for Central Nova was allowed into this particular building and into an unsecured area to look at documents, with the media present, by the security service. This is an indication of the respect for confidentiality—and that is the important issue—that the government has in these circumstances.

● (1530)

I do not think it lies in the mouth of the Minister of National Revenue to try to point the spear at the hon. member for Central Nova, nor does it lie in his mouth to argue as he did that an accusation with respect to an offence—two offences at least—ought to be allowed on the record of this House. The important part of this argument is not who is right or wrong; the question is that the minister, as a gentleman, ought to have withdrawn the remarks he made and he did not do so. I think he ought to be made to do so.

Mr. Speaker: Order, please. I am faced with a fundamental difficulty that seems to have been overlooked. I am not worried about the part which refers to a public building as that seems to me to be peripheral to the main issue.

Procedurally the matter of the hon. member's motion has perhaps a reduced significance. The hon. member was seeking by his motion to investigate the handling of confidential documents in the income tax department. If that is going to be done it ought not to be done by way of a question of privilege related to some remarks by the minister.

The minister has said today in his place, however stridently he has done it, that "I do not accuse the member for Central Nova of the commission of an offence. The documents which he had in his possession which he has acknowledged were documents unlawfully obtained." That is the opinion of the minister; he is entitled to that opinion and he is entitled to express it.

In respect of the possession of the documents he said, "I say those documents were stolen." The minister maintains: "They are unlawfully obtained, therefore I say stolen, and the member for Central Nova was in possession of those. I do not accuse the member of the commission of an offence." It seems to me he added another phrase: "Perhaps the member sees himself in a role as an elected member as having some rights in respect of that."

This question has come up before in respect of the hon. member for Leeds (Mr. Cossitt) when he was being pursued on a regular basis over a period of time to return documents to the House which he had in his possession and about which he had given some information. It was contended at that time that the status of those documents was clear—they were unlawfully obtained and the member had them in his possession. The question therefore became one of some interest as to what are the rights of a member who is in possession of these kinds of documents that have been brought to him when he looks at the documents and knows that they are confidential and that they are not being handed to him by the person in whose care they belonged. It seems to me there was more than an allegation in that case; there was an acceptance of the fact that the member was in possession of documents which were unlawfully obtained.

In the case before us it seems to me that the minister has said virtually the same thing. The hon. member for Central Nova, in his capacity as a member of the House of Commons, came into possession of documents which, on looking at them,

appeared to be obtained irregularly. In fact, the minister says that, in his opinion, they were stolen, clearly. He does not accuse the member for Central Nova of any complicity in their theft and in fact allows that the member may consider himself to be the logical possessor of such documents if it helps him to bring a grievance against the government which he may see as part of his duties. That remains a very open, legal question. The minister has said today that he does not accuse the member for Central Nova.

I think the minister is entitled to his opinion that the documents have been unlawfully obtained, is entitled to regard the fact that the member for Central Nova had them in his possession and he is entitled to say so. He has to make it clear that he does not accuse the member for Central Nova of any offence and he, in fact, has said that.

The question of privilege of the hon. member in attempting to get to an investigation of the confidentiality of documents is irregular. It does not conclude the same way it began. What remains is the question of whether the minister has made unparliamentary remarks about the member for Central Nova.

I have had to conclude that in respect of the commission of an offence, the minister has said he does not accuse the member of an offence regarding possession of these documents. The member took that, and I think correctly, to mean that he was not accused of an offence in the possession of those documents. In fact, he may consider that confidential documents may be brought to a member of the House of Commons in some way by a person who, as the minister said, may consider himself disgruntled or otherwise in order to air a grievance. That remains, to me, an unresolved legal question. I have to accept the conclusion that the minister is entitled to say that without accusing the member of an offence, and in fact he made it clear that he did not accuse the member.

There remains one other item, however, and that is that the hon. member for Central Nova had behaved in a manner in which he revealed the contents of those documents to the public. That is an offence. Therefore, if I am to be consistent and the minister in his remarks used language which indicated the hon. member was reckless in his duties of one thing and another, I want before concluding this matter to have the same clear position from the minister, if I may, on behalf of the decorum of the House, that he is not accusing the member for Central Nova of an offence in respect of the information contained in those documents. Then I think procedurally we can put the matter to rest.

Mr. Abbott: Mr. Speaker, I quoted only from the *Globe and Mail*, which was the source of my information in this case, and indicated that the hon. member for Central Nova had shown the reporter copies of four 1974 tax returns, etc. I did not accuse him because I was quoting only from a newspaper report which, however consistently reliable that publication may normally be, none the less could be in error. I am simply saying that if that was the case—and the hon. member did not deny it—then I found it offensive. It is not an offence, I guess, but I found it offensive.

[Mr. Speaker.]

If Your Honour feels that I am charging an offence improperly, then we will clear the record. I did not accuse the hon. member of an offence. I said that presumably by his own acknowledgement he showed certain forms to a newspaper reporter who published the fact, and I found that offensive. I do not say he committed any offence in doing so.

Mr. Speaker: I do not know that the matter can be any more clear in terms of parliamentary language. I do not think that procedurally we need to pursue the matter any further.

Had the question of privilege of the hon. member been related, in a motion albeit imperfect, to remarks of the minister, I think we would have perfected it. I think he has gone one step further, however, in attempting to introduce a substantive motion to investigate the confidentiality of documents in the possession of a department. This is a bit of a leapfrog over the substance which is contained in his motion. These two matters of possibly unparliamentary accusations by the minister did remain. I now find that the minister has withdrawn both. If any such allegations were made by the minister they are now withdrawn. The matter is therefore closed.

MR. NIELSEN—PROPRIETY OF MOTION UNDER S.O. 43 MOVED BY HON. MEMBER FOR ALGOMA

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a question of privilege arising out of today's question period. It concerns a question which was asked by the hon. member for Algoma (Mr. Foster); I am sorry to see he has left the House. He has asked questions on the same subject in times past. As you know, he is the chairman of the Standing Committee on Northern Pipelines.

Mr. Speaker: Order, please. I do not think the hon. member was recognized in the question period. He presented a motion pursuant to Standing Order 43 before the question period.

Mr. Nielsen: That is right. Thank you for correcting me on that, Mr. Speaker. In my opinion, Mr. Speaker, chairmen of standing committees have a very particular position, one that is closely analogous to that of parliamentary secretaries. When Your Honour first assumed your duties as Speaker you were very quick to state your view that you were not going to recognize parliamentary secretaries for the purpose of asking questions because of the special relationship they enjoyed with ministers, and particularly you would not recognize parliamentary secretaries asking questions of their own ministers.

Today we have the chairman of a standing committee, who is more knowledgeable than non-committee members, asking questions with political intent, in my view to gain ground only, concerning a subject matter about which he is very knowledgeable and based also on the fact that he enjoys a special relationship with the minister responsible for pipeline affairs. He is the only chairman I am aware of who is following this course.

I do not submit that it is improper for chairmen of committees to ask questions concerning matters not falling within their responsibility. That happened today when the hon.

member for Capilano (Mr. Huntington), the chairman of the public accounts committee, put a question to the minister which had no bearing on his responsibilities as chairman of that committee. The chairman of the Standing Committee on Northern Pipelines also has a party responsibility, if not an official responsibility, to keep the Deputy Prime Minister and President of the Privy Council (Mr. MacEachen) informed of the progress in committee and the matters discussed therein.

● (1540)

I believe that allowing the chairmen of standing committees to question the ministries for which they are responsible is just as offensive and an abuse of the accepted practice of the House as being allowed to put motions under Standing Order 43, or to ask questions of those ministers.

Incidentally, that committee is sitting this evening at eight o'clock. The content of the motion that the hon. member put under Standing Order 43 was based on evidence which is currently being given and has been given before the committee. The committee, as you know, sir, has not yet presented any report to the House. I submit that that is an offence. It is not within the rules to base a motion on evidence given to a standing committee before that committee has reported to the House. It is just as offensive for a question to be put.

Some hon. Members: Oh, oh!

Mr. Nielsen: It is my submission that the evidence before standing committees prior to those committees reporting to the House cannot be raised in the House. I am sure, Mr. Speaker, that you are familiar with that rule. If need be I can turn it up very quickly.

[*Translation*]

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): Mr. Speaker, I am afraid the hon. member is mistaken because he confuses committee with department. The chairman of a committee is not the parliamentary secretary to a minister; that is obvious. But, if in practice parliamentary secretaries to ministers are not allowed to put questions in the House, as you stated specifically in one of your rulings, Mr. Speaker, it is doubtless because the Parliamentary Secretaries Act stipulates, very simply and very tersely, that parliamentary secretaries help the minister as requested by him. However, no law or House rule stipulates directly or indirectly that the chairman of a committee must be muzzled either in the House of Commons or in committee.

Mr. Speaker, the remarks of the hon. member stand up even less under close examination because they do not concern a situation where the chairman of a committee put a question to the minister, which would have been perfectly in order, but it does deal with a situation where the chairman of the committee acted through a motion presented pursuant to the terms of Standing Order 43 of our House.

Now, if I am not mistaken, you yourself, Mr. Speaker, have recognized that a parliamentary secretary can present a motion under Standing Order 43. All the more so if a parliamentary secretary, like the one sitting on my right, has already done so—the parliamentary secretary to the minister of urban affairs at the time was recognized—so, if a parliamentary secretary can present a motion under Standing Order 43, the chairman of a committee can also certainly present that type of motion. Nothing in our traditions, regulations or laws prohibits this.

Finally, on the hon. member's remarks concerning what is said before a committee, may I remind him that as a rule committee meetings are deemed to be public. There is therefore no harm in repeating in this House, be it by the chairman or any member of the committee, the evidence brought before the committee, be this done by means of a motion under the provisions of Standing Order 43 or questions to ministers, or even in any debate on a motion or otherwise. Nothing forbids the chairman or any member of a committee referring to revelations made before a committee holding public meetings.

To conclude, Mr. Speaker, I think the question raised by the hon. member is a little far-fetched. He referred to absolutely no regulations, laws, customs or traditions to support his point. I would therefore ask you to simply reject his contention.

[*English*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, when you rule on this point, perhaps you should also tell us what it was in our proceedings this afternoon that stopped all the clocks.

Mr. Speaker: I intended to keep the House up to date at least on that matter. It is now exactly 3.45 p.m. Hopefully before the end of the day we will reactivate the clocks on the floor.

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, I rise briefly on the same point of order. It would seem to me that if the arguments of the hon. member for Yukon (Mr. Nielsen) were true, they would also apply at this particular juncture in our history to the chairman of the public accounts committee who happens to be a member of the official opposition. That would mean, of course, that when the public accounts committee is examining the public accounts, the chairman of that committee would not be able to address questions to the President of the Treasury Board (Mr. Buchanan). It would also mean that when the Auditor General's report is before the committee on public accounts he would not be able to address questions to any particular minister whose department was under review by that committee at that time. He did just that.

It seems to me that such action would be a curtailment of the rights of members on that side or on this side of the House. In my opinion, the hon. member's point of order is not a point of order at all but simply an argument that he has put forward, for whatever reason I do not know.

Mr. Speaker: Happily for the Chair the hon. member for Yukon (Mr. Nielsen) has not followed his intervention with a motion and therefore no specification is called for by the Chair. However, some of the suggestions which the hon. member has put forward will give us an opportunity for reflection.

The status of committee chairmen is a subject that has been under examination in the past. We do not, as is the practice in the United Kingdom, have an independent panel of chairmen, but when that subject is discussed then the suggestions of the hon. member might be relevant to that discussion. Steps in that direction have been under consideration by this parliament from time to time, and the subject is bound to come up again.

ROUTINE PROCEEDINGS

[*English*]

FISHERIES AND FORESTRY

First report of Standing Committee on Fisheries and Forestry —Mr. Dionne (Northumberland-Miramichi).

[*Editor's Note: For text of above report see today's Votes and Proceedings.*]

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QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the following questions will be answered today: 748, 805, 838, 950, 974 and 1,013.

[*Text*]

CBC-JEREMY THORPE—"SUNDAY MORNING" PROGRAM

Question No. 748—**Mr. Rae:**

Did the Canadian Broadcasting Corporation pay the participants in the radio broadcast concerning the preliminary inquiry of the alleged criminal activities of Jeremy Thorpe, heard on the "Sunday Morning" program on December 3, 1978 and, if so, in each case, in what amount?

Hon. John Roberts (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: Andrew Newton and Norman Scott were paid by the CBC for their contributions to the program, in accordance with what is common journalistic practice in Britain. The producers of "Sunday Morning" judged these interviews to be of sufficient importance to their coverage of the story to accede to the demands of Mr. Newton and Mr. Scott for payment.

With regard to the amounts paid, it has not been customary to require the CBC to provide such details of its internal management and administration as costs incurred in the production of individual programs. The background to this custom is explained in detail in the reply to question No. 2,530, May 22, 1975.

RRAP—FREDERICTON, N.B.

Question No. 805—**Mr. Howie:**

1. Is consideration being given to extending the Residential Rehabilitation Assistance Programme to Marysville, Barker's Point, Nashwaaksis and remainder of Devon areas of Fredericton, New Brunswick?

2. What was the total amount spent under the RRAP in Fredericton, New Brunswick by (a) Canada (b) the Province of New Brunswick (c) Fredericton, in the fiscal year ended March 31, 1978?

Hon. André Ouellet (Minister of Public Works and Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation as follows: 1. Applications have been received by CMHC for designation as Rehabilitation Areas for the Marysville and Barker's Point areas of Fredericton, but not for the Nashwaaksis or for the remainder of the Devon areas.

Treasury Board, however, has stated that it will not approve further designations until it has approved a method for controlling the flow of RRAP funds, and review of "in-hand" applications is, accordingly, not being proceeded with until then. It is expected that this submission will be presented to Treasury Board during January, 1979.

2. (a)—1977, $890,000—January 1-October 1, 1978, $383,000

(b)—New Brunswick does not contribute to RRAP

(c)—Fredericton does not contribute to RRAP

HEALTH AND WELFARE—PROJECTS IN RICHMOND

Question No. 838—**Mr. Beaudoin:**

1. Since 1968, did the Department of National Health and Welfare finance projects in the Constituency of Richmond and, if so (a) what were the projects (b) what was the (i) total amount (ii) amount in each case (c) what were the areas?

2. Is the Department planning to do so in the near future and, if so (a) what will be the amount (b) in which areas?

Hon. Monique Bégin (Minister of National Health and Welfare): In so far as the Department of National Health and Welfare is concerned: None.

DOCUMENT—PROPOSED CHANGES TO PUBLIC SERVICE STAFF RELATIONS ACT

Question No. 950—**Mrs. Pigott:**

1. How many of the document entitled *Proposed Changes to the Public Service Staff Relations Act* were produced and distributed to public servants?

2. What was the total cost of publication and distribution of the document?

Mr. Thomas H. Lefebvre (Parliamentary Secretary to President of Treasury Board): 1. There were 349,000 copies of this document produced. All but 4,800 have been distributed

to public servants. The remaining copies are stored in the Treasury Board's distribution centre.

2. The documents were printed by the Department of Supply and Services at a cost of $24,648 and distributed in bulk quantities to the departments, agencies and separate employers subject to the PSSRA, at a cost of $292.60. The documents were then distributed to employees through their internal distribution system. The total cost for printing and distribution was $24,940.60.

INDUSTRY LABORATORY PROJECTS

Question No. 974—**Mr. Howie:**

With reference to the answer to Question No. 877, what are the names of the individuals or groups that received assistance and what were the amounts?

Mr. Pierre Bussières (Parliamentary Secretary to Minister of Energy, Mines and Resources and Minister of State for Science and Technology): In so far as the National Research Council is concerned, the reply is as follows:

Payments made under PILP
by name of contractor and contract amount
April 1, 78 to December 1, 78

Individuals	Contract Payment
E. Whitely	$ 13,086
Groups of Individuals	
None	
Companies	
Bristol Aerospace Limited	$ 313,704
Cambridge Instruments Company (Canada) Limited	17,530
Canadian Chromalox Co., Limited	6,661
Canadian Vacuum Equipment Company Limited	37,483
Dale Electronics, Limited	39,955
De Havilland Aircraft of Canada, Limited	16,225
Digital Methods Limited	142,768
Dominion Aluminum Fabricating Limited	24,070
Dynalogic Corporation Limited	17,446
Electrohome Limited	101,039
Epsilon Data Systems Limited	32,759
Guildline Instruments Limited	48,032
Hermes Electronics Limited	240,000
Hovey & Associates Limited	21,113
Institut Armand-Frappier	63,488
Leigh Instruments Limited	154,035
Lektromedia Limited	17,891
Lumonics Research Limited	210,326
MDS Health Group Limited	63,741
MHG International Limited	3,776
MPB Technologies Limited	114,163
MacDonald Dettwiler and Associates	111,675
Marine Colloids, Limited	533,256
Norpak Limited	210,739
Nu-West Development Corporation	5,189
Ontario Research Foundation	80,722
Otal Precision Company Limited	22,760
RAB Dedesco Limited	5,586
R. F. Webb Corporation Limited	1,419
Sentrol Systems Limited	64,987
Sherritt Gordon Mines Limited	31,977
SPAR Aerospace Products Limited	79,645
Sydney Steel Corporation	70,331
W. G. Hutchison and Company Limited	7,489
Other	
DSS Contract Fees	$ 58,749
Total	$2,983,815

HEALTH RESOURCES FUND

Question No. 1,013—**Mr. Herbert:**

1. In each of the past five years, by province, what amount was paid under the Health Resources Fund?

2. How many construction projects were assisted and what was the approximate total value of the construction work?

Hon. Monique Bégin (Minister of National Health and Welfare): In so far as the Department of National Health and Welfare is concerned: 1. the list is as follows:

	Payments under HRF		Payments under HRF
Newfoundland		**Quebec**	
1973-74	9,787,813.	1973-74	10,453,163.
1974-75	7,784,180.	1974-75	13,065,383.
1975-76	1,742,648.	1975-76	12,523,682.
1976-77	1,064,962.	1976-77	4,357,953.
1977-78	71,057.	1977-78	8,139,792.
	20,450,660.		48,539,973.
Prince Edward Island		**Ontario**	
1973-74	NIL	1973-74	9,926,607.
1974-75	NIL	1974-75	6,564,220.
1975-76	NIL	1975-76	2,998,580.
1976-77	NIL	1976-77	6,138,161.
1977-78	NIL	1977-78	8,791,807.
	NIL		34,419,375.
Nova Scotia		**Manitoba**	
1973-74	NIL	1973-74	1,895,124.
1974-75	NIL	1974-75	642,590.
1975-76	233,754.	1975-76	284,841.
1976-77	749,158.	1976-77	806,733.
1977-78	561,179.	1977-78	NIL
	1,544,091.		3,629,288.
New Brunswick		**Saskatchewan**	
1973-74	390,836.	1973-74	1,240,978.
1974-75	278,546.	1974-75	917,477.
1975-76	385,858.	1975-76	1,207,835.
1976-77	4,052,549.	1976-77	2,146,298.
1977-78	71,386.	1977-78	2,439,190.
	5,179,175.		7,951,778.

Alberta		Northwest Territories	
1973-74	3,299,493.	1973-74	5,986.
1974-75	1,822,238.	1974-75	NIL
1975-76	578,589.	1975-76	NIL
1976-77	NIL	1976-77	NIL
1977-78	NIL	1977-78	NIL
	5,700,320.		5,986.
British Columbia		**CANADA TOTAL**	
1973-74	NIL	1973-74	37,000,000.
1974-75	272,098.	1974-75	31,346,732.
1975-76	44,213.	1975-76	20,000,000.
1976-77	4,734,614.	1976-77	24,050,428.
1977-78	2,044,736.	1977-78	22,119,147.
	7,095,661.		134,516,307.

2. One hundred and twenty construction projects were assisted for a total construction value of approximately $227 million during this period.

[*English*]

Mr. Pinard: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

* * *

POINT OF ORDER

MR. PATTERSON—DELAY IN ANSWERING QUESTIONS NOS. 938 AND 180

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, I rise on a point of order. I would like to call the attention of the parliamentary secretary to question No. 938 which was placed on the order paper on December 22. In view of the fact that it has to do with events that will take place in the near future, I wonder when that question will be answered. The question reads:

1. How many annual airshows are held on Department of Transport Airports?

2. What are the locations of such airports?

3. (a) What is the cost recovery formula imposed by the Department (b) are there any exceptions to this formula and, if so, for what reason?

It seems that questions such as those could be answered very quickly.

While I am on my feet I would like to call attention again to question No. 180. I made an inquiry about this question a few days ago. The parliamentary secretary indicated that he would seek to obtain the answer. I have not received it as yet, and I would appreciate its being considered.

[*Translation*]

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): Mr. Speaker, I am taking note of the hon. member's remarks. I am pleased to see that he has carefully read question No. 938.

[Miss Bégin.]

As for the other question, I will see that he gets a reply as soon as possible.

● (1550)

GOVERNMENT ORDERS

[*English*]

NATIONAL HOUSING ACT

MEASURE TO AMEND

The House resumed from Monday, March 5, consideration of the motion of Mr. Ouellet that Bill C-29, to amend the National Housing Act and the Central Mortgage and Housing Corporation Act and to make other related amendments, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, when I called it ten o'clock last night I pointed out that there were just a few more things I wanted to say on this matter. I cannot help but wonder whether the fact the clock has stopped is somewhat symbolic of what is happening in parliament in these closing days. It may by symbolic of how much is being accomplished.

I began my remarks last night by referring to the speech made just prior to mine by the hon. member for Roberval (Mr. Gauthier). There was a great deal that he said with which I agreed. One such comment was recorded in yesterday's *Hansard* at page 3832, and I quote:

I know the minister cannot control everything going on in these projects, rehabilitation projects, Central Mortgage and Housing Corporation projects and others where you have to qualify and where qualifying means being a Liberal.

When he said that, I did a double take. My memory took me back almost five years to the summer of 1974 when it came to my attention that there were some CMHC housing projects in my constituency. One in particular had been built by a developer under the general umbrella organization known as Imperial Ventures with head office in Winnipeg. The head of that organization has added something to his record. He is not only the former Liberal leader of the Liberal party in Manitoba, but the former Liberal leader of the former Liberal party in Manitoba. His organization known as Imperial Ventures built a project called low dividend housing. That was a good idea on the part of the former leader. The program was supposedly to provide houses for low income families. The government loaned money to the developer at a low interest rate, presumably because the profit on that investment would not be in the rental but on the appreciated value of that property. It was a good idea.

It came to my attention that some of the rules for that kind of housing were not only being bent but broken. There are certain strict rules which CMHC officials impose on a venture like that. I took it upon myself to visit the project. One of the rules was that you had to have a family. Second, you had to be

below a certain income level. Obviously you had to require that kind of housing. I presented myself to the manager of that project. There were no questions asked about whether I had a family or what my salary was at the time. There were no qualifying questions at all.

I started probing and asking certain questions. I found out that on the bottom floor of the department block were the single bedroom apartments. On the second floor were smaller apartments or family units and on the third floor were the three bedroom apartments. When I asked whether it was necessary to have a family to move in there, I was told it was not necessary at all. I asked what was done about people who did not have families but wanted to rent an apartment on the third floor. I was told that there were career people who rented those. They divide the rooms among themselves. These are several adults occupying one suite. If a couple without a family rented a three bedroom apartment, I was told they would make the third bedroom into a den.

This was a project for low income families. In no way were the rules being adhered. to. The manager was not ensuring that those who needed housing the most were the ones to benefit from that project. The former Liberal leader of the former Liberal party in Manitoba has done very well by this project even to this day.

As the hon. member for Roberval pointed out last night, we cannot blame the minister for that. I do not hold him accountable. As the hon. member for Roberval said, the federal government should never have been involved in this kind of program. It is a centralist notion. It is from a bygone era when a lot of people in Canada, particularly members opposite, thought that the central government could solve most problems in Canada. My colleagues and I did not think so.

We found out through the affairs of this department that that is far from being possible. There is no government agency omniscient enough to be able to supervise all of the building projects and investments that CMHC has made across Canada. There is no one agency that can ensure that the rules are not being broken. When guidelines and rules are set up to protect low income families, they are broken. This means that those who need housing the most are being ripped off.

Therefore, I am happy to see this legislation which will do away with the department of housing and urban affairs. I am glad the government has accepted our proposal and said yes, it is time for this department to be disbanded. I commend the government for taking this initiative and being able to turn over to the provinces some of the projects that belong to provincial areas, letting those governments do as they should have done in the first place.

Mr. Bob Rae (Broadview): Mr. Speaker, it is with a great deal of pleasure that I participate in this debate. As the housing critic of this party, I will be summarizing the approach this party is taking to the measures proposed by the minister and the government as well as looking at the housing situation in general. From listening to the minister's remarks some ten days ago and from reading the speeches of Liberal members who participated in this debate, one would not recognize that there is a housing problem in Canada.

The minister and his associates trot out figures showing that over 200,000 houses are being built each year. They say there really is no housing crisis in Canada today. The minister spent a great deal of his time assuring hon. members that there is no problem with housing, that what is needed is a bit of tinkering here and there, such as the amendments being put forward, in order to clear up the problem that he says exists.

I have often thought that many members of parliament and many governments live in a cloud in cuckoo land. The minister occupies one of his own rather uniquely. I invite him to come to my constituency in Toronto and tell the people there that there is no housing crisis in the city of Toronto and no housing problem in Canada today. I am sure it would come as news to many people.

Who are these people? It is not the rich who are concerned. It is not only the people we classify as poor. It is many people starting out, with one income and sometimes with two incomes, who 20 or 30 years ago would have found it easier to buy a house even though the standard of living at that time was lower than it is today.

I follow the remarks of my colleagues the hon. members for Winnipeg North (Mr. Orlikow) and Sault Ste. Marie (Mr. Symes) in saying that Canadians are house poor. The high cost of housing is shattering the Canadian dream. It is not part of this party's policy that everyone should live in a single family dwelling or that everyone should live in an apartment, but that people, regardless of their income, should be able to live in affordable, decent shelter. Those who want to live in houses should be able to do so. Those who want to own their own homes should be able to do so. Those who want to own their own homes should be encouraged to do that.

• (1600)

It is more difficult for Canadians to own their own homes now than it was 20 or 30 years ago. Right now, the average price of a house in metropolitan Toronto is $68,500, and it is anticipated the price will rise by a further 7 or 8 per cent over the coming year. In many parts of Toronto, in the central core, for example, prices have risen to about $80,000. With mortgage rates at a high of 11¼ per cent the dream of being able to afford one's own home is becoming unattainable.

It is important that we should look carefully at the causes of the extraordinary inflation which has taken place in this area. What are the components which go into the cost of housing? In all the research the government has sponsored and all the work of CMHC, very few studies have been undertaken which tell the truth about the reasons for the present high cost of housing. It is a monument to the government's political ability that it has managed to convince itself, on the basis of only the Lord knows what information, that there is not an "affordability crisis" in the cities of Canada today. Look at the costs which have gone up. We admit that the cost of labour has gone up. One can see that the cost of materials has risen; this was

documented by my hon. friend from Sault Ste. Marie when he talked about the price of lumber and so on.

But the price increases do not stem solely from increases in the cost of labour and materials. They are caused by two other factors—the cost of money and the cost of land. When you look hard at what the government has done to protect Canadians from the increasing price of money, you find the answer is "not a single thing". Quite the reverse. They have encouraged interest rates to rise to a point at which it is impossible in Toronto to get a first mortgage for less than 11 per cent or a second mortgage for less than 13 per cent. We all know that increasingly it takes two mortgages to enable a family to acquire a home.

The cost of land is the other factor which must be closely examined. In our view, land should be considered a resource just as we consider oil or coal or gold to be a resource. Precisely the same phenomena as we have seen with respect to the exploitation of other natural resources—domination by foreign companies, a tendency for greater concentration, control over the price of the products—are being repeated in the case of land. We in our party have argued that we can see a pattern developing—a greater concentration taking place in the economy leading to excessive profits and consumer gouging. We can see this happening with regard to the price of land.

So we have "an affordability problem". More than one million Canadians are paying over 30 per cent of their income for shelter. We have a serious interest rate problem which is forcing many families into permanent and uncontrollable debt. Also within the housing industry there is the situation in which fewer and fewer companies are controlling land, not only in the inner cities but in the suburban areas. We know the names of these companies—Cadillac-Fairview, Genstar, Trizec. Such firms are accumulating land around the cities, controlling the choices which are available and restricting the ability of our people to afford decent housing.

What is the major lesson to be learned from this? First, any housing policy which fails to deal with the large developers and the powers of financial institutions cannot possibly succeed because it is these two groups which are the major source of the problem. Proposals such as those put forward by the Conservative party, and put forward as well, though admittedly in a striptease, delicate fashion, by the minister of state for housing and which simply increased consumer demand without dealing with inflation and profiteering in the supply of housing, serves simply as a guarantee of higher prices and higher profits. To put it crudely, if you simply put money into the hands of consumers without doing anything about the supply of housing or the cost of money, you are merely supplying a subsidy to developers and bankers.

The second lesson to be learned is that any subsidy on housing and home ownership should be clearly expressed and costed. The Canadian people should be allowed to see exactly who would benefit from any change in subsidy and at what price. I find it ironic in the extreme that the parties which have been advocating restraint at the expense of working Canadians should now be proposing solutions costing billions of dollars like some nineteenth century evangelist who had suddenly discovered the sins of the flesh.

Third, we should be crystal clear as to the full extent of any subsidies both from the point of view of the direct expenditure of public moneys and also from the point of view of what we call tax expenditures. Tax expenditures have aptly been called hidden welfare, and we are still in the dark as to the cost, for example, of capital cost allowances and accelerated depreciation provisions under the Income Tax Act.

Then there is the cost of tax shelters from multiple unit residential buildings known as MURBs, tax deferrals which allow companies to withhold taxes in a given year and put them off on a continuing basis; and there are the tax provisions which have just been put forward by the Minister of Finance (Mr. Chrétien) which will allow for the continuing write-off of all carrying charges on undeveloped land.

In addition to action along the lines of the three points I have made, something else has to be done. There is an obvious need for tax reform which would bring relief to lower and middle income Canadians. It is increasingly difficult, I would stress once again, for the average Canadian to afford to buy a house and live in affordable housing or in an affordable apartment. A government which does not take note of this fact will find itself facing some unpleasant music when it finally realizes it has to call an election.

• (1610)

Finally, there is no instant or magic solution to the problem of affordable housing. If there is no free lunch, as the Liberals and Tories are so prepared to say when they discuss unemployment insurance and direct government expenditure, there is no free lunch in tax spending on housing either, and that is something that both the Liberals and Conservatives would have the Canadian people believe. The hard fact of the matter is that fewer and fewer developers control the supply of land. Private land banking has replaced public land assembly, and we have no control over the price of land. To increase demand willy-nilly when so few companies control the supply of land is simply an incentive to profiteer. House prices will not simply rise, they will go through the roof.

That is the background against which we have to consider the housing proposals that have been put forward by the government. It is the background of ever increasing concentration of wealth, of control over the supply of land; it is the background of ever increasing corporate power, private power and control by the public; the background of ever increasing mortgage rates and extraordinary bank profits. Of course, the final story is the high price of a house.

It is against this background and not the cloud cuckoo land in which the minister lives that we have to consider the Liberal party's proposed amendments to the National Housing Act, because the thrust of the amendments is to reduce public control and public investment in housing. But there is one problem, and that is that while the government would have us believe that it is leaving the housing situation to the so-called

free market, the fact of the matter is there is no free market in housing.

I want to quote from one CMHC report which was published surreptitiously, one might say, and which exposed the high cost of land in 1976. Peter Spurr says the following about metropolitan land development:

> Metropolitan land development has been taken over by the giants, who are now consolidating their position by buying up their competition, and the suppliers and materials in their production processes. The small builder, revered in the mythology of housing, is an anachronism—the residential construction industry in metropolitan Canada can be recognized as paralleling the structure of the automobile industry during the 1920s, or the aircraft industry in the 1940s. The understanding of this reality could lead to several different objectives for public policy, ranging from the break up of the evolving cartel, to the nationalization of the firms, to increased public supervision of their products and prices. Of the three, the latter seems most directly related to the quality of life and substantive needs of this society.

That was the suggestion and recommendation of Mr. Spurr who wrote the report for the government on the high cost of land and land prices. What did the minister in all his wisdom, and the people who are advising him in CMHC, do? Did they decide to break up the cartels? The Minister of Consumer and Corporate Affairs (Mr. Allmand) has been looking for a backbone for four years and he still has not found one with respect to the competition policy. Have they nationalized land or done anything about public control or ownership of land? No. Have they done anything about public supervision of products or prices? No, they have specifically refused to do so. They have gone from one impotent institution to another in their attempt to find an answer to the problem of inflation, not only in housing but in the rest of the economy, and they have not come up with a single answer. Now they are desperately trying to find a political solution to save them when they come to call an election.

What has been the answer? They have rejected each of the three possibilities put forward by Mr. Spurr, and now they have come with a fourth one. It is called "leave the jungle to the lions". It calls for a reduction in public involvement in housing, a reduction in the kind of control that is available, and it leaves it all to the private sector. This would come as no surprise to us because the government and the Liberal party, which have made millionaires of Campeau and Teron, of Cadillac-Fairview and Trizec, of Genstar and Daon, are now fulfilling their historic mandate to make Canada even safer for the development industry than it has been up to now.

We will have occasion, when the bill goes to committee—and we will see what committee it goes to, depending on the attitude of the government—of looking at the proposals in detail. Some of them have been dealt with by my colleagues the hon. member for Winnipeg North and the hon. member for Sault Ste. Marie. But I want to make one point. I am sorry the minister is not here to hear this, but perhaps he will have the opportunity to read it. My point is that in the pre-election period in which we are living now the government is attempting to put the gun to the head of the opposition and to say: "We have to have the housing bill passed". They have done it with every other piece of legislation with which they have come up. Each one is a matter of urgency. They say they need to have the unanimous consent of the House to get it through.

Let me say this to the minister. He has delayed the bringing in of this bill and yet he is the one who allowed the neighbourhood improvement projects to lapse and left them hanging in mid air, with the people involved not knowing what was going to come next. He is the one who allowed his deputy minister at this critical time to take an extensive leave of absence and now to quit the government for good. He is the one who announced in May proposals which were opposed by many of the groups affected by these proposals, and it took him until November before he could get agreement from those groups to the amendments he was putting forward. He is the one who waited until December to have the bill printed the second time, and his government was the one responsible for waiting until February before they decided to bring this bill in. They are the ones who are responsible for the delays, the costs, the abandoned projects and the defeated hopes. It is not us but the government who are responsible for this delay and this extraordinary mismanagement.

There are hundreds, not to say thousands, of groups affected by the changes in the government housing program. I can only mention one from my riding in the short time I have been here. There is a project in my riding of which the minister is aware because I brought it to his attention a number of times. The project is for a senior citizens' building which is in danger of languishing—it is a non-profit corporation—because this government has delayed and has refused to give direct government funding to groups which are in need as they wait for the introduction of this new policy.

The basic thrust of the new policy has to be seen in light of the announced cutbacks of over $300 million in the CMHC budget in August and September. The government is determined to get out of a number of areas and to leave them to banks, to the private sector and to trust companies. We have no guarantee that the private sector and the trust companies are interested in supporting co-ops or are interested in supporting non-profit corporations.

The government has introduced the graduated payment mortgage scheme, which is a fraud on the Canadian public, and I say that with no apology whatsoever. I want to quote from the "Graduated Payment Mortgage Safari Kit" which was provided to the members of the Standing Committee on Health, Welfare and Social Affairs by the minister in December. This kit was supposed to explain to us the great benefits of the graduated payment mortgage scheme. What does that scheme do? It allows a potential home buyer to pay a lower total amount of money in the first four or five years of his mortgage, and then requires that he pay an escalated amount of his mortgage after the first five years. The key fact, which is not mentioned once in this GPM safari kit, is that the total amount of money which an individual would pay is greater over a 25-year amortization period than it would be under an equal payment mortgage, which is what we have in Canada today. It is unbelievable that that fact is not mentioned once in a government document presented to members for briefing.

• (1620)

If a private group put forward this proposal and did not provide an explanation, they would be guilty of misleading advertising of the worst kind and would be prosecuted by the government. The Minister of Consumer and Corporate Affairs should have a look at this document. It is a clear example of the kind of thing many lenders in the private sector would like to get away with, that is, concealing the true cost of a loan from the consumer. Now we know why the government is afraid to bring in an act to protect creditors and borrowers. It is because the government does not want to reveal the true cost of loans to Canadians.

If the Liberal party is bankrupt, I should like to look briefly at what we have heard from the Conservative party. Apart from criticism, applauding the government for abolishing the ministry of urban affairs and for giving its role back to the private sector, the only proposal put forward by the Conservative party was one to allow the deductibility of mortgage interest and property tax from pre-tax income. I admit this proposal deals superficially with one of the problems I mentioned at the beginning of my remarks, and that is the problem of tax relief. Obviously one would pay less tax, and it would provide a substantial saving to a large number of Canadians.

The main problem with the scheme is that it does not do anything about the problems facing the housing industry and Canadians who are interested in buying houses. It does not do anything about high prices, corporate concentration, or creating equity between home owners and tenants. It is a massive hidden subsidy of home ownership at the expense of the rest of Canadians. In political terms it can be compared to those nineteenth century Conservatives who opposed giving the vote to non-property owners. What twentieth century Conservatives are saying is that Canadians who are not lucky enough to own property will not receive the benefit of a tax cut. The Tories are barring nearly 40 per cent of Canadian households from the benefits of economic citizenship.

Mrs. Pigott: The hon. member should say that in the trade union halls.

Mr. Rae: I have said this wherever I go. I admit the scheme provides a form of tax relief, but I do not think it provides the Conservative party with a monopoly on virtue. It is a proposal which creates inequities between home owners and tenants. It means the government will spend millions of dollars in the subsidization of a particular group. The fact it is a hidden subsidy and may be superficially politically popular is irrelevant. Nevertheless it is a subsidy. It does nothing about the key housing problems facing Canadians. It is a tax relief which provides relief to some but not others. We in the New Democratic Party are interested in tax relief. Certainly we are interested in the problem of cost relief, but our approach will not be at the expense of some Canadians and to the benefit of others.

Our approach is based on two premises: affordability and fairness. It is time to look very hard at the groups in our society who have prevented Canadians from having the type of housing they deserve. Since 1945 huge amounts of Canadian investment capital have been absorbed in urban development. With the guarantee of the federal government, financial institutions recognized a safe market and invested heavily in this sector. In 1977 the total value of real estate mortgages outstanding was $73.9 billion, far more than the total federal budget. Since 1945 the government has allowed this distortion to grow in our economy. The economic policy of the federal government has allowed more money than was needed to be used in the development of urban real estate. From 1945 to 1977 the amount of money spent on urban real estate by Canadian financial institutions increased 100 times.

What has been the effect? The effect has been to suck money from many of the productive and manufacturing sectors of the economy into speculation and urban land development. While some sectors of the economy have done well, such as urban land, other sectors have been underfed, underplenished and starved by the lack of capital and investment. Also it is important to recognize what has happened with the massive profits made in urban land and real estate.

Rather than investing in the industrial sector of Canada, our dollars are flowing south into the United States. The investment of Canadian capital in the United States is being led by real estate companies. The workers and the people of this country who are looking for jobs are being bled dry by the investment going out of the country.

For example, Markborough Properties and the Meridian building group announced plans in May, 1978, to finance a portion of a $1 billion new town in Dade County, Florida. Olympia and York Ltd. of Toronto bought eight New York City office buildings for approximately $350 million. Cadillac-Fairview holds close to $200 million in current United States real estate assets. Genstar, a foreign-owned company, has been dominant in the Canadian real estate industry. Now it is exposing its tentacles elsewhere in North America. Recently it acquired Westmor Corporation of Long Beach, California, which owns mortgage bank branches in Georgia, Nevada, Arizona and California. Also it bought 8,600 acres in San Diego for $93 million. This flow of capital south draws money away from Canada. Profits generated in Canada should be used for the benefit of Canadians.

The same trend can be seen elsewhere in the economy. Inco has made money at the expense of the workers in Sudbury and the people of that community for a decade. Now it is investing its profits in Guatemala and Indonesia. The same pattern of dependence, exploitation and the exporting of jobs and wealth is going on in the urban and real estate sectors.

We in the New Democratic Party feel the price of land must be controlled, as well as profit speculation and cost of money. In order to deal directly with the housing problems facing Canadians, those matters must be controlled. Our attitude toward land must change. Land should be seen as a resource which needs the protection of public policy. It is too valuable a resource to be left solely in the hands of private developers. The entire development industry was created from the idea

that urban land and buildings are private property which should be used, owned and developed by the corporate sector.

But urban land has been and always should be considered as one of Canada's natural resources. It provides a basic need—shelter. The need for shelter should not be subject to profiteering. We cannot allow land to be taken off the market and held by a developer until he or his company feels the land will bring the desired price. We should provide encouragement to the non-profit, co-operative and municipal sectors of housing. The leading builder in Toronto today is the city of Toronto. I am proud to say that city has had the guts and ability to get into the housing market. It has attempted to deal with the high cost of housing in its own way.

In relation to public land assembly, our proposal has been rejected consistently by the government. We need to reduce the cost of mortgages. That has been the proposal of my party since 1973. Mortgage rates are too high; bank profits are astronomical.

Why does the government not have the ability, guts or integrity to deal with these problems and put them together in a very simple equation? I think the people of Canada would be behind the government if it said to the banks: "Do something about mortgage rates and take the cost out of excess profits".

● (1630)

We need amendments to the Bank Act and to the National Housing Act not only to allow the government to offer mortgages at 8 per cent, but to force banks to do the same for Canadian families that are earning less then $25,000 a year. This is not a public subsidy. We are not the last of the big time spenders, like the Conservatives and Liberals seem to want to be with their tax exemptions and allowances for the people. This is something that will be coming from the banks' excess profits which have been hurting the people of Canada. Let us not forget that bank profits last year were $1 billion. Let us not forget that a good part of this, according to information provided to us by the banks themselves, is simply a windfall produced by increasing the spread between the Bank of Canada rate and the banks' prime rate. Such a windfall has even been admitted to by major spokesmen of the banking community, as I have said.

I do not see why the banks should be allowed to benefit, and I do not see why we as taxpayers and interest payers—and we are all taxpayers and interest payers; certainly I am—should continue to allow ourselves to subsidize these monuments of marble and glass when we cannot affort to buy adequate housing for our children. The Bank of Canada's attitude toward restraint is perhaps best revealed by the building it has just constructed for itself across the way.

Should we not start talking more of the waste and excess profits and misuse of our social resources? The difference in monthly payments between a mortgage of $50,000 at 11¼ per cent and a mortgage of $50,000 at 8 per cent is over $100 a month, or $1,200 a year which could be going back into the pockets of the Canadian people, not at the expense of their brothers, some home owners or another taxpayer, but at the expense of those people who have been living off the backs of the Canadian people. That is a significant saving.

This government should deal with mortgage interest rates, problems in relation to profits and significant savings. It should not go round the circle and brush aside the problem, but should get at the heart of the matter. The heart of the matter is the fact that interest rates are too high, bank profits are too high and land costs are too high.

If the government wants to deal with these problems directly, then it should deal with them directly by assembling land and providing it at no profit to the Canadian people. I think the slogan for the voting public in this election year should be "let the buyer beware". It would be easy enough for us in this party, as the other parties have done, to play the game of cheque book politics. Cheque book politics will not necessarily solve problems in housing. We have seen what the Tories have proposed to buy votes. I think I said earlier in a speech outside this House that rather than buying votes, the Liberal party only wants to rent them, and that is the proposal it has been putting forward. This is a strategy that has been followed by the minister. He says we might have a tax shelter, and we might do something about our unfair tax system that will be of benefit to more than 30 per cent of the people, but on the other hand we might not. This government does not even have the courage to propose something and let the people decide. The fact of the matter is that buying votes will not make it easier for one single Canadian to buy a house. That is the key to the problem. We need to keep the cost of land down and we need to keep the cost of money down. I say, why not take the bull by the horns and do it directly?

Mr. Hal Herbert (Parliamentary Secretary to Minister of Public Works and Minister of State for Urban Affairs): Mr. Speaker, I would like to make just one comment concerning the remarks of the last speaker who made reference to the slow passage of this bill. I can only say that the bill has now been before the House for second reading for some two weeks. In fact, during these two weeks I am led to believe that the hon. member who has just spoken has been able to go away on vacation, come back and still speak on second reading. I feel that probably one of the problems in this House is the amount of time we spend on second reading.

An hon. Member: Abolish the House. Do away with it.

Mr. Knowles (Winnipeg North Centre): He was our third speaker.

Mr. Crosbie: Guillotine the House. Shut it down. Pass it by executive fiat.

The Acting Speaker (Mr. Turner): Order, please. The hon. parliamentary secretary has the floor for the purpose of making a speech, and I suggest we listen.

Mr. Herbert: I hope those remarks appear on the record, Mr. Speaker.

Mr. Crosbie: I hope so.

Mr. Herbert: Frankly, if the member is suggesting that every bill which comes into this House should take up two

weeks' time on second reading, he should recognize that we are really not going to get very much legislation through this House. I would refer him to the British Parliamentary system, which so many of his colleagues suggest in many cases we should imitate, where with almost three times as many members it takes only two or three days at most on second reading to put their party position on record.

Let me now talk about the bill.

Some hon. Members: Hear, hear!

Mr. Herbert: Bill C-29 is a carefully prepared and thought out response to the housing situation as it exists in Canada today. It is quite obvious, as has been mentioned many times, that Canadians are among the best housed people in the world. For that reason it becomes even more important to address ourselves to the needs of those people among us who still have problems in getting access to housing that is appropriate to their needs and within their means.

The new non-profit and co-operative housing programs set out in this bill are a practical and workable solution to the problem of generating housing for low income people at an affordable cost. I am particularly pleased that these programs, more than ever before, will involve the private sector of the economy in the provision of social housing. There is no reason that social housing should be the exclusive responsibility of government, and it seems apparent that private investors are now willing and desirous of becoming involved.

Under the non-profit and co-operative programs, and by several other parts of this bill, private lenders will be allowed to provide capital in projects which up until now were financed from government resources. That policy is consistent with the relationship the government has always encouraged between the private and public sectors.

The government is not in the business of constructing houses. The most efficient and economical way to get houses built is by private enterprise within a free and competitive market economy. When the private marketplace is working as it should, most Canadians will be able to deal with their own housing problem. That is why an important part of the government's participation in housing has been devoted to encouraging the maintenance of a healthy housing industry in Canada.

Mortgage insurance was introduced soon after the end of World War II to encourage private lenders, particularly banks, to increase their investment in residential construction, to make more money available to finance the building of housing at a time when mortgages did not seem to be such an attractive kind of investment. That one program, mortgage insurance, has probably dome more than any other measure to establish and maintain a healthy housing market. It has been modified from time to time to conform with changing needs.

In recent years the government has followed the pattern of introducing publicly funded and supported housing programs and then, as they became familiar and acceptable, modifying them in such a way as to permit them to be supported by the private sector. Two notable examples have been the assisted home ownership program and the assisted rental program which initially involved both federal government loans and federal government subsidies to put good housing within reach of people who needed it.

● (1640)

Those two programs were among the most successful and popular ever introduced. These programs were later modified, first, to permit them to be financed with private capital rather than government loans and, second, to replace government subsidies with a system of repayable, interest reducing loans. The logical extension of this pattern is the new graduated payment mortgage, a private loan which allows borrowers to make lower payments during the early years when they are getting established in a new home.

I am not suggesting that the private sector of the housing industry should be expected on its own to take care of all the housing needs of all Canadians. The Government of Canada through Central Mortgage and Housing Corporation has always had an important role to play, in partnership with private enterprise, to ensure that Canadians have good housing at affordable cost.

There are two ways in which the government will continue to fulfil that obligation. One way is to provide subsidies for the construction and acquisition of housing which fulfils a social need. This bill provides for generous assistance to non-profit groups and co-operative associations that are prepared to make housing available to people who need it. This assistance will be provided in a way that eliminates overlapping administration by various levels of government and allows the provinces to fulfil their own objectives according to their own priorities in an area that is essentially within provincial jurisdiction.

The second way in which the federal government interacts with the private sector to ensure adequate annual production of housing is through the mortgage insurance program. When we ask private investors to make money available for social housing, or for rehabilitation, or through the graduated payment mortgage, we encourage them to do so by making mortgage insurance available.

This bill extends the benefits of mortgage insurance to a number of new situations not previously covered—for instance, mortgage loans to non-profit organizations for the acquisition and improvement of existing housing; for loans to landlords who are prepared to rehabilitate their rental properties to acceptable standards of health and safety; and, for the first time, for housing loans to Indians living on reserves.

One of the most encouraging aspects of this legislation is that it strengthens the partnership between government and private enterprise in the housing industry, making the best possible use of the resources of each sector. This housing legislation gives further support to the provision of housing to people of low income. I am referring to co-operative housing, which has become increasingly popular in recent years as Canadians have come to understand and accept the idea of

collective action to solve individual housing problems. The co-operative movement in housing had to overcome many obstacles before receiving the recognition it is given today. It is now considered to be an important alternative approach to meeting low-income shelter needs.

Support for co-operative housing is another indication of federal adaptation to new situations and shifting demands. Canada in 1979 is not the same as the Canada of 1946, and the National Housing Act is not the same instrument it was 30 years ago. At that time the primary task was to rebuild a housing industry that had been virtually closed down by the priorities of a country at war.

The changes since then have been dramatic and comprehensive. It was recognized at the outset that relying on the free market system for the production of housing does not automatically assure an equitable distribution of that production. Without a degree of government intervention, lower income households could face the problem of either spending a large portion of their income to obtain adequate and suitable shelter or paying lower rents for inadequate and unsuitable shelter. As a result, housing legislation over the years has responded to two primary needs: to assist families who were in need of housing but had affordability problems; and to assist builders to supply an adequate volume of good, moderately-priced housing.

An important change in social policy was marked in 1949 when the act first incorporated provisions for public housing. At that time CMHC contributed 75 per cent of the cost of construction and the province paid 25 per cent. The project was owned in partnership by the federal and provincial governments and operating losses were shared on a 75-25 per cent basis.

Just 15 years ago, in 1964, the act was again amended to give the provinces another option in providing housing for low income families. The new provision called for CMHC to make 90 per cent loans to provinces and municipalities to provide public housing. Provinces paid the remaining 10 per cent, and operating losses were shared by the federal government and the provinces on a 50-50 basis. During this time and, in fact, up until 1973 co-operative housing was treated as just another form of home ownership and received the same treatment and benefits as a single applicant for a home owner loan.

I might point out that there are two types of housing co-operatives. One is called the building co-operatives, in which a group of people simply pool their resources to build their housing at the same time, with each member of the group owning his unit outright. A continuing co-operative, on the other hand, is a non-profit group that provides housing for its members. The co-operative itself owns the housing and each member has a share in the project. None of the units in such a co-operative can be sold for a profit.

Up until 1973, although building co-operatives received some assistance, continuing co-operatives under group ownership had great difficulty getting recognition and acceptance under the act. One problem was that legislation did not provide for co-operatives to obtain loans for low rental housing, except as the sponsor for a project in which residents did not have to be members. In other words, low income people could have housing provided for them but they could not own it through a co-operative.

Another problem was that co-operatives could obtain funding only for new projects, not for existing housing, nor even for the rehabilitation of existing housing. As a result, people in a rental project could not get an NHA loan to buy it co-operatively even if the landlord wished to sell it to them. This made it difficult to mount a strong national program of co-operative housing.

In 1973, however, new housing legislation helped co-operatives to develop fully as another housing alternative for low income Canadians. The two most important provisions in the new legislation at that time were first, that housing co-operatives could qualify for 100 per cent loans for non-profit, low rental housing; and, secondly, loans would be available for both the purchase and rehabilitation of existing housing. That new legislation did, in effect, start a new form of co-operative, one in which the members are collectively owners but individually are in a leasehold position. On one hand they have the proprietary rights of a landlord, and on the other hand the rights and advantages of tenants.

As the Minister of Public Works and Minister of State for Urban Affairs (Mr. Ouellet) has mentioned, extensive discussions recently between his ministry and the co-operative Housing Foundation of Canada have produced an agreement regarding the administration of subsidies and charges to occupants of housing units that serve mutual objectives. The new agreement provides for fewer controls by CMHC on actual project development, and allows co-operatives to have the opportunity to use a wider range of procurement techniques based on the group's experience. Greater latitude is also given to co-operative groups in choosing between the acquisition of existing developments and the construction of new projects. The agreement provides, as well, for a significant increase in federal financial support to co-operative projects, and continued application of the residential rehabilitation assistance program.

● (1650)

There is no doubt that the new program will result in much higher production of this much needed type of accommodation. Federal assistance will be almost doubled, and private lending institutions indicate their willingness to invest as much as $500 million during the next few years in support of co-operative housing. This means that the number of people living in co-operative housing could easily double in a few years, going from the present level of about 50,000 to more than 100,000.

I am pleased that the government is giving support to co-operative housing as another means of offering another choice of housing tenure to families of various incomes. The new program will assist members of the co-operative housing program to build even more housing that they can afford and of which they can be proud.

I am particularly pleased that this bill preserves and extends one of the most important housing measures ever put forward in Canada. I am referring to the residential rehabilitation assistance program—RRAP. Restrictions have been removed from this program and its benefits are no longer limited to housing in certain specially designated areas. With the passage of this legislation, all Canadians will become eligible for RRAP assistance, within the terms of the program, and I have no doubt that the funds available to support it will be applied to the most pressing needs, wherever they may occur in Canada.

It is not surprising that the RRAP program met with such an immediate and enthusiastic response from the people of Canada. Since the program was introduced in 1973, CMHC has been assisting in the rehabilitation of some 20,000 units per year. As the program is broadened and municipal officials become more familiar with its application, that annual rate will increase. The number of homes that can be rehabilitated in any year depends a lot upon the capacity of municipal organizations to manage and implement the program.

All of the demographic trends, economic projections, and our shifting social values suggest that rehabilitation is going to be a more significant activity for at least the rest of this century. The government, in bringing forth these amendments, recognizing the importance of rehabilitation and conservation, has reaffirmed its intention to continue to support it in a tangible way.

I have a few comments concerning the deductibility of mortgage interest, Mr. Speaker. The Tory mortgage interest tax proposal is unjust and unnecessary. Furthermore, the taxpayer cannot afford it.

I should like to put some relevant statistics on the record which show that 62 per cent of Canadian families, some 4.4 million, are home owners while 38 per cent, or 2.4 million, rent their homes.

I should like for a moment to comment on living styles. In Quebec, 50 per cent of the people are home owners compared to 66 per cent in Ontario, 65 per cent in Alberta and 69 per cent in British Columbia. Francophones are only approximately 45 per cent home owners by living style, 55 per cent living in rented accommodation.

I stress this point, Mr. Speaker, because the Tory program makes no attempt to recognize the difference in living styles between Canadians in the province of Quebec and Canadians in the wealthier provinces of Alberta and British Columbia. The program is designed to aid to a much greater degree persons living in those two wealthier provinces of Alberta and British Columbia.

Mr. Crosbie: You will swallow anything.

Mr. Herbert: As long as the hon. member opposite is making comments, that may be one of the reasons why the opposition party has never fared too well in elections in the province of Quebec.

[Mr. Herbert.]

Mr. Crosbie: Call the election and we will see. Sixty seats minimum.

Mr. Herbert: Among home owners, 35 per cent have incomes below $10,000, 45 per cent between $10,000 and $20,000 and the rest earn over $20,000. Because marginal rates increase with income, the higher income earner benefits more. The 35 per cent of home owners who have a family income under $10,000 pay about 14 per cent of the total mortgage interest payments whereas the 20 per cent with incomes over $20,000 pay 33 per cent of the total mortgage interest payments.

High income earners are in a better position to borrow and these persons, together with those with debt-free homes choosing to benefit from the program, would receive preference from lending institutions. Lower income groups would face increased difficulty in securing funds.

In Quebec, the average family income for home owners is $19,300 whereas the average in Ontario is $22,500, in Alberta, $21,200 and in British Columbia $22,100. Thus, the marginal rate is higher in the wealthier provinces.

Lost revenues to the federal government would also entail losses to the provinces as fewer funds would be available for transfer. The provinces would have to raise taxes in order to replace these losses.

The amount of the downpayment is often the major problem for young couples wishing to buy houses. The increase in demand for mortgage money by those refinancing their homes with new or increased mortgages would tend to raise the amount of the downpayment required.

Those who have saved to increase the equity in their homes, either by increasing the downpayment or paying off part of the mortgage, will receive less benefit than those who have the minimum investment in their homes.

Tenants who choose not to buy a house or tenants who cannot buy a home would be obligated as taxpayers to contribute to the cost of a plan in which they do not choose to participate or are unable to participate.

Mr. Speaker, may I call it five o'clock?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Central Nova (Mr. MacKay)—National Revenue—Reason detailed income tax returns placed in custody of Statistics Canada; the hon. member for Halton (Mr.

Philbrook)—Post Office—Steps to improve door to door delivery; the hon. member for Winnipeg North (Mr. Orlikow)—Post Office—Effect of cutbacks on mail delivery.

[*Translation*]

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

PRIVATE MEMBERS' PUBLIC BILLS

[*Translation*]

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): Mr. Speaker, there seems to be unanimous consent that we proceed to the consideration of Bill C-215 and that the preceding bills be allowed to stand in the same order.

[*English*]

Mr. Deputy Speaker: Is there unanimous consent that we proceed to the consideration of Bill C-215 and that all other bills preceding this number stand without losing any of their rights?

Some hon. Members: Agreed.

* * *

● (1700)

CITIZENSHIP ACT

AMENDMENT TO DEPRIVE CONVICTED WAR CRIMINALS OF CANADIAN CITIZENSHIP

Mr. Bob Kaplan (York Centre) moved that Bill C-215, respecting war criminals in Canada, be read a second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, on December 31, 1979, which is the end of this year, unless the German government acts to change its law, the statute of limitations in Germany will bar any further prosecution of Nazi war criminals. In that country the statute of limitations has been extended once already in connection with the commission of war crimes. In the public debate that was held in the German parliament I understand there was a mixed feeling and there is only a slight majority in favour of the further extension of the statute of limitations for war crimes.

The United States congress and some other national governments and legislatures around the world have unanimously passed resolutions urging the German government to extend its statute of limitations. I hope that at some early date this parliament will act similarly and pass a resolution by unanimous consent along the lines of those passed by others urging the Germans to extend their statute of limitations. If no action is taken by Germany we may then face the appalling spectacle of persons coming forward to publish and to sell memoirs of their World War II war crime commissions. Judging by the success of other books written by other sorts of criminals, we can anticipate that these books will make a lot of money for their authors. I very much regret to note that according to the record, a well established record, some of these books about war crimes could be written by Canadian citizens.

World War II was a trauma in history which we must seek to keep alive in everyone's memory. There are lessons to be learned from it about the values of democracy and society, and as well about the dangers of fascism and racism. These are lessons too important to be forgotten and yet too easily forgotten. Already there are those who seek to write this history for their own purposes. One needs to go no further than to give as an example the statement of a candidate in a recent federal by-election by the name of Roger Delorme, who denied that six million Jews, as well as many others, were murdered during World War II, and who claimed that the number was less than one million. I believe that we should fight against this re-writing of history. We must not forget. Canada has too much of a stake in World War II history. There were too many lives lost to allow what happened at that time to be forgotten.

What can we do to help keep intact our history of that war? One thing is to prosecute war criminals who are living in this country. I am proposing in this bill that if these people are prosecuted and convicted, their Canadian citizenship will be taken from them. It is clear that we have the jurisdiction to prosecute people guilty of war crimes here in Canada, even though the crimes may have been committed elsewhere in the world. We are signatories to the Geneva Conventions Act and there are precedents, five cases that I know of, in which Canadian courts prosecuted persons for committing war crimes that occurred in Europe. Our courts have already been prepared to assume jurisdiction in cases of war crimes.

My bill attempts a measure of justice to the memory of World War II. Millions of people have come to Canada who were victims of that war. These people have come from Europe as well as from other parts of the world. They have come looking for the opportunity to establish a better life. In most cases they have become citizens pursuant to the laws that were established by this parliament. Under our laws citizenship has always been discretionary, in the sense that there are tests to be met and criteria applied. But above and beyond these things the government has had the discretion to withhold citizenship in appropriate cases.

I understand that for a fairly long period in our recent history we inquired into communist affiliations and activity by would-be Canadian citizens. If we were satisfied that they were members of a communist or fascist government or had close ties with one, we took steps to withhold Canadian citizenship from them. I understand also that in some cases, by misrepresentation in citizenship applications, citizenship was wrongly obtained by some individuals.

There are safeguards provided in the Citizenship Act. There is a procedure provided whereby an individual who obtains Canadian citizenship by false representation or fraud can have his Canadian citizenship revoked. To my knowledge we fail to press the matter of war crimes as diligently as we pressed the matter of communist affiliation. We did not press the question: Was the individual involved in the commission of war crimes? Opinions have been given that those who have obtained Canadian citizenship and were guilty of war crimes but who represented otherwise may well be entitled to keep Canadian citizenship.

There are, of course, other legal opinions. In the preparation of my brief remarks today I read a legal opinion setting out grounds under which Canadian citizenship might be revoked. These grounds were non-disclosure of the commission of war crimes. Unless we take some positive action and amend our legislation we will have no recourse against these individuals.

Hon. members may ask who I am talking about. I do not intend to name names in this chamber. However, it is well known that there are over one dozen individuals in this category in Canada. Witnesses are available from among the Ukrainian and Jewish population who have come from Europe who can give evidence against these individuals. In my opinion they ought to do so and may do so if the provision such as the one I am proposing is introduced.

I have been somewhat vague in my reference to the term "war criminals" and to its definition. I have not used the term "war criminals" in my bill. The term used is "an offence pursuant to section 3 of the Geneva Conventions Act". That refers to grave breaches which include, among other things, wilful killing, torture or inhuman treatment, including biological experiments, and wilfully causing great suffering or serious injury to body or health. I am ascerting that it is well known that there are people in Canada who come within that definition by virtue of their conduct. I am suggesting that action ought to be taken against them and the bill which I have proposed, if enacted, will make it easier and more likely to do so.

I want to add one other matter which I have covered in this bill. In my opinion, it is not fair that the bill be restricted in its effect only to those who have acquired Canadian citizenship by naturalization and not to those Canadian born. I am not proposing that any distinction be drawn. It is conceivable that a born Canadian was in Europe or in another theatre of war and committed a crime within the definition I have put forward. The bill provides that his citizenship also is subject to revocation, not only the citizenship of an immigrant. I am not in favour of making any more differences between Canadians who have acquired their citizenship by birth and those who have acquired their citizenship by naturalization. If implemented, this bill will operate equally against both, whether naturalized or born in Canada.

● (1710)

This provision is not limited only to World War II. God knows, we have evidence of the commission of war crimes in all wars. The amendment I am suggesting here would be applicable to those circumstances as well. It is by no means limited, although I began my remarks talking about the World War II experience and the holocaust.

This is a simple bill. It is easy to understand. It is timely because of what is now happening in Germany. It can be taken as an example and demonstration of the strong feelings Canadians have that we not forget what happened in World War II, and that we not allow those who were responsible for serious crimes during that war to go unpunished. Canadian citizenship should not continue to be held by those who are guilty of war crimes.

I look forward to learning whether the government favours or does not favour the principle of the bill. Whether it does or not, I hope that my colleagues on all sides of the House will make it possible for this important measure to be referred to the justice committee so that evidence can be led on its effect and the need for it. Because I assert that this is a bill that is needed and is needed now.

Mr. D. M. Collenette (Parliamentary Secretary to Postmaster General): Mr. Speaker, I commend the hon. member for York Centre (Mr. Kaplan) for bringing this matter forward for discussion in the House this afternoon. I agree with many of the sentiments he expressed, but I do not agree with the vehicle of Bill C-215. It proposes to take a very drastic course on the part of the Government of Canada. I hope to develop arguments in the next few minutes as to why it should not be pursued.

The subject matter is important. Because of the remarks made by my colleague from York Centre I personally would agree to having the subject matter referred to the Standing Committee on Justice and Legal Affairs.

I agree with my colleague that the Government of Canada should urge the West German government to extend its statute of limitations for prosecution of war crimes. I understand it will run out later this year. The magnitude of the atrocities in the Second World War by war crime elements is such that this statute of limitations should be allowed to be extended so that justice may pursue many of those who have eluded authority since the Second World War. In that sense I fully support the hon. member for York Centre.

I also support his general premise that today, almost 35 years after the end of the Second World War, we should not allow the lessons learned in that war to be forgotten. I grew up in post-war England, in central London, where the effects of the war were very apparent upon families which lost many lives in the bombing and went to school with kids whose fathers did not come home.

The war had a very profound effect on me even though I was born a year after it ended. It is something that will stay with me for the rest of my life. One of the most moving days in the year, even before I became a politician, was November 11 and our Remembrance Day ceremonies. We of all generations must do our utmost to ensure that the lessons of the Second World War do not go unheeded for future generations. In that

sense I fully support the hon. member for York Centre and his intentions.

The bill as projected by the hon. member would place severe constraints upon Canadian law. I wish to develop these arguments now. The bill proposes that the Citizenship Act be amended so that any Canadian citizen convicted of war crimes in World War II should automatically cease to be a Canadian. The hon. member did not use those words, but that is what would happen. He talked in terms of section 9(1) being amended by the following words:

Notwithstanding any other Act, every person convicted of an offence pursuant to section 3 of the Geneva Conventions Act thereby ceases to be a Canadian citizen.

Its effect is to amend the Citizenship Act so that any Canadian citizen convicted of war crimes in the Second World War should automatically cease to be a Canadian. What the amendment seeks to do is entirely outside the philosophy of the Citizenship Act and the very liberal approach taken in this country towards citizenship, especially in the last few years, but historically. In that sense the hon. member for York Centre has good intentions but is somewhat misguided in the remedy he seeks to place before the House.

The Citizenship Act of February 15, 1977 is unique in the world. I wish to quote the former secretary of state, the Minister of Indian Affairs and Northern Development (Mr. Faulkner), when speaking on February 24, 1976. He said:

What makes this bill unique and a leader among nationality laws of the world? . . . it treats absolutely everyone equally . . . This quality is rare in citizenship law. But, . . . the new Citizenship Act . . . clearly lays down certain steps the applicant must follow and certain qualifications the applicant must satisfy. Upon satisfaction of those conditions, then citizenship shall follow as a right.

In other words, the Citizenship Act recognizes that a person has a right to be a citizen of Canada after he or she has met the requirements set forth in the Citizenship Act and has completed the application procedures, including a person to person interview with a citizenship judge and the taking of the oath of citizenship in court. Not only is the Citizenship Act designed to be equitable in the acquisition of citizenship but also in the loss of it. That is an essential point to remember; equity in acceptance and equity in terms of losing citizenship. Already, Mr. Speaker, I am sure you can see how anomalous the amendment proposed in Bill C-215 would be in the Citizenship Act. We must, however, press on to other facts.

Citizenship may be revoked if, after being lawfully admitted to Canada, it is proven that the person entered Canada by false representation, fraud, or by concealing material circumstances or by obtaining citizenship by the same means. My colleague acknowledges that point. The governor in council, upon a report from the Secretary of State, has had to revoke citizenship from time to time. However, in order to do so, it must have been able positively to identify individuals in the records of citizenship registration which have been kept since 1868. To date, the citizenship branch has been unable to identify individuals alleged to be war criminals since, in all probability, most would have changed their identity before entering Canada. How then, would the branch be in any better position to identify individuals in its records for the purpose of Bill C-215?

It must also be borne in mind that under the Citizenship Act the citizen may request that, before the minister makes a report to the governor in council requesting revocation of his citizenship, his case be referred to the trial division of the Federal Court of Canada. But Bill C-215, if passed, would mean that individuals convicted under section 3 of the Geneva Convention Act, 1965, would have no recourse in law to plead that their citizenship should not be revoked, and would be at an extreme disadvantage vis-à-vis other Canadian citizens. Here we see the essential liberal philosophy which has underlined our legal sense since 1867 being skirted. At one stroke, Canadians affected by Bill C-215 would be stripped of their equality before the law and the their right to Canadian citizenship.

• (1720)

To introduce this automatic loss provision would remove the right of some Canadians either to voluntarily relinquish citizenship or to state their case before the Federal Court. Above all, adoption of Bill C-215 would make a partial, if not total, mockery of Canada's Human Rights Act. I am sure the hon. member for York Centre, who is an ardent proponent of human rights and a strong supporter of the human rights legislation passed by this parliament, would not want his bill to contravene the spirit of the Human Rights Act.

Another factor which must be considered is that both the Geneva conventions of 1948 and 1965 and the Canadian act respecting Geneva conventions for the protection of war victims are not retroactive to 1939. Their intent is to prevent the kinds of crime which led up to Nuremberg. The intent of Bill C-215 is, of course, to strike off the register of Canadian citizens all who are convicted of war crimes in the 1939-1945 conflict in Nazi-occupied territory. Under the Citizenship Act, the judge is precluded from questioning applicants on their activity prior to entry to Canada, including war activity. The citizenship judge may consider only criminal activity which has occurred in Canada within the three years immediately preceding the date of the application. This provision in the Citizenship Act, therefore, renders the amendment useless in practice.

As well as being in contravention of our Human Rights Act and diametrically opposed to the spririt and intent of the Citizenship Act, the implementation of Bill C-215 could create stateless persons. Particularly liable to this fate would be the former nationals or citizens of countries which no longer exist. In addition, it could affect persons born in Canada who have no other nationality. Canada, again in the spirit of human rights, signed on October 15, 1978, the United Nations convention on the reduction of statelessness. Canada has thus pledged to presume that every person is entitled to a nationality regardless of any crimes he or she may have committted.

A couple of months ago the whole concept of citizenship was brought up by the return to Canada of FLQ members involved in certain events in Quebec in the early 1970s. In particular,

the Cossette-Trudels came here. I know their case is before the courts and I do not want to reflect upon their guilt or innocence, but these people have been charged by the Crown with committing certain criminal acts and they will be brought to trial. Many people in my constituency had an instant reaction along these lines: why would we want these people back in Canada; why not leave them in France or in Cuba? Of course, these people were prejudging guilt, but the essence of this issue is that, notwithstanding any crimes which the accused may have committed, they did not revoke their citizenship upon leaving Canada. I do not know whether this was a specific intent of the minister of justice at the time or whether it was stipulated as part of the arrangement when these people went into exile, when they were given free passage to leave Canada, but it was always understood that the Crown alleged they had committed certain crimes and should they come back to Canada the accused would have to face justice.

I can defend the right of these people to return to this country as a right to face the Canadian justice system. It is important when we talk about revoking the right of citizenship that we keep in mind Canada's commitment to the United Nations and our pledge that every person is entitled to nationality irrespective of any crimes or misdemeanours that he or she might have engaged in. Canada has agreed to uphold article 8(1) of the convention, which states:

A contracting state shall not deprive a person of its nationality if such deprivation would render him stateless.

In certain circumstances, such as treason, the convention permits the contracting state to deprive a person of citizenship, even though the person would then become stateless. Even then, though, the convention rules that the deprivation must be in accordance with the law "which shall provide for the person concerned the right to a fair hearing by a court or other independent body". But Bill C-215 provides for automatic loss of citizenship in contravention of the convention on the reduction of statelessness.

Just suppose, in spite of all the arguments we have presented, the bill passes and the stateless person, or national of some other country, is extradited. Where shall the person go? To a communist bloc country with whom Canada has no extradition treaty? To a country which no longer exists?

Mr. Speaker, the adoption of Bill C-215 would be in direct conflict with the spirit and intent of the Citizenship Act. Furthermore, it contravenes what Canada has already agreed to, the provisions of the convention on the reduction of statelessness. For these reasons, I oppose the bill.

Nevertheless, for the reasons which I outlined earlier, I believe this whole subject of lessons to be learned from the holocaust, the crimes committed in the Second World War, the pursuit of war criminals and the importance of West Germany continuing its statute of limitations, should lead us to think that this would be a very good subject matter for reference to the Standing Committee on Justice and Legal Affairs, and I will certainly support such a move if it is agreeable to hon. members.

[Mr. Collenette.]

[*Translation*]

Mr. Claude-André Lachance (Parliamentary Secretary to Minister of Justice): Mr. Speaker, like the preceding speaker, and in spite of the reservations I have about it and on which I shall elaborate later, I would like to congratulate the hon. member for York Centre (Mr. Kaplan) for sponsoring this bill. This bill is indeed inspired by a commendable ideal and, like the preceding speaker, I am convinced that the House will probably feel the need one day to draw lessons from history and do its utmost to prevent the reoccurence of misfortunes such as those which happened at the time.

To come to grasps, since we must, with the contents of Bill C-215, an act respecting war criminals in Canada, I would like, if I may, Mr. Speaker, to examine with the House some of the implications the implementation of this bill would have both domestically and for our commitments to the international community.

● (1730)

Bill C-215 would add new section 9.1 immediately after section 9 of the Citizenship Act found in the Statutes of Canada 1974-75-76, chapter 108. The new section would provide that any person convicted of an offence pursuant to section 3 of the Geneva Conventions Act, chapter G-3 of the Revised Statutes of Canada, 1970, would thereby cease to be a Canadian citizen.

What are these Geneva conventions? It might be a good idea to find out what we are talking about. The above-mentioned act approves the four Geneva conventions on the protection of war victims signed in Geneva on August 12, 1949. These four conventions are: first, the convention for the relief of the wounded and sick in armies in the field; second, the convention for the amelioration of the condition of the wounded, sick and the shipwrecked members of armed forces at sea; third, the convention on the treatment of war prisoners; finally, four, the convention on the protection of civilian persons in time of war.

Section 3 of the act stipulates that any "grave breach" of any of the Geneva Conventions of 1949, as therein defined, that would, if committed in Canada, be an offence under any provision of the Criminal Code or other act of the Parliament of Canada, is an offence under such provision of the Criminal Code or other act if committed outside Canada. "Grave breach" is defined in the four conventions as follows: first, in that on the armed forces in the field, at article 50; second, in that on the armed forces at sea, at article 51; third, in that on the prisoners of war, at article 130; and four, in that on civilian persons, at article 147.

Grave breaches include the following crimes which are committed on persons or property protected by the Conventions, namely, wilful killing, torture or inhuman treatment, including biological experiments, and wilfully causing great suffering or serious injury to body or health; the massive

destruction and appropriation of property unless it is justified by military imperatives and made legally and wisely.

Section 3 grants extra-territorial jurisdiction to Canadian courts with regard to crimes committed outside Canada when they fall within the limits set forth in the four conventions mentioned earlier. Those crimes fall within the jurisdiction of the court where the accused is located, and that is where he will be judged and punished if proved guilty. Still, the attorney general must given his consent in writing before legal procedures can get under way.

What would be the effect of the implementation of Bill C-215 within the territorial limits of Canada? My colleague, the hon. member for York East (Mr. Collenette), enumerated a while ago some of the legal consequences under the Citizenship Act; I should like to come back to that because it strikes me as being fundamental.

The Citizenship Act of 1976, which replaced that of 1970 found in chapter 19 of the Revised Statutes of Canada, 1970, makes it easier to acquire the Canadian citizenship and keep it. It is the right of those who are protected by the act, and can only be lost or withdrawn under the terms of the second part of the act. And there are three ways to lose Canadian citizenship: first, by renunciation as provided in section 8; second, by order of the governor in council, where the citizenship was obtained by fraud or by knowingly concealing material circumstances as provided in section 9; and third, by the fact, for a person who was born in a country other than Canada from at least one Canadian parent, of not having asked to retain his Canadian citizenship or nor having registered and gone to live in Canada during at least one year before the age of 28, as provided in section 7.

The deprivation of citizenship because of conviction for a criminal offence is inconsistent with the spirit of the act which reduced the number of reasons justifying the deprivation of citizenship. Such deprivation can be an extreme punishment by making the person concerned stateless, and I shall come back on this matter a little later. This is what would happen to the person born in Canada without having another citizenship or to the person born outside Canada who would have lost his or her original citizenship by becoming a Canadian citizen.

Although it looks simplistic, that bill would have very serious effects as regards the international commitments we freely agreed to make. The nationality which encompasses citizenship is an important factor in international law because it is the very basis of the international protection granted by a state to one of its citizens. Furthermore, diplomatic immunity abroad is also based on the nationality.

The United Nations took an active part in establishing everyone's right to a nationality. On December 10, 1948, the General Assembly, then made up of 58 countries, adopted the Universal Declaration of Human Rights. Forty-eight countries voted for it, eight abstained and two were not represented. None voted against it. Here is what article 15 of the declaration says, and I quote:

(1) Everyone has the right to a nationality;

(2) No one shall be arbitrarily deprived of his nationality nor denied the right to change his nationality.

As the declaration is not a treaty, there was no need to have it signed or ratified. However, it remains a statement of principle of the highest moral authority. Called the Great Charter, it spells out a common objective for all countries and nations and as far as I know Canada endorses these objectives.

Moreover, and to be more specific, certain international conventions emanating from the United Nations deal with nationality in a very specific way. The convention relating to the status of stateless persons adopted on September 28, 1954 and in force since June 6, 1960, to which Canada is not party, provides the following in article 32 entitled Naturalization:

The contracting states shall, inasmuch as possible, facilitate the assimilation and the naturalization of stateless persons. They shall endeavour in particular to accelerate the naturalization process and to reduce inasmuch as possible the fees and costs involved.

On the other hand, the convention on the reduction of statelessness adopted on August 30, 1961, in force since December 13, 1975 and ratified by Canada on October 15, 1978, provides the following in article 8(1):

The contracting states shall not deprive any individual from his nationality were that deprivation to make him stateless.

The mover clearly stated his intention not to make any distinction between withdrawal of nationality from people who have had another nationality in the past and who have settled in Canada and Canadians who were born in Canada and who would be submitted to the same arbitrary judgment. Obviously, in the second case, this approach would directly result in making these people stateless persons.

That obligation, as stipulated in article 8 of the convention on the reduction of statelessness, is ineffective, however, when the nationality has been obtained by means of a false statement or any other fraudulent act or when the individual has resided in a foreign country for a period of time not inferior to seven consecutive years without informing the proper authorities of his intention to retain his nationality or when the individual has allowed one full year to elapse from the date of his majority without establishing a residence on the territory of the state or without registering with the proper authorities of that state.

There again, Mr. Speaker, there is no mention about the problem of Canadians born in Canada who would be arbitrarily deprived of their nationality.

The International Convention on the Elimination of all Forms of Racial Discrimination, adopted on December 21, 1965, in force since January 4, 1969 and ratified by Canada on October 14, 1970, stipulates, at section 5(d) (iii), and I quote:

Pursuant to the fundamental obligations set out in section 2 of this Convention, the Member States agree to prohibit and eliminate all forms of racial discrimination and guarantee to everyone the right to equality before the law regardless of race, colour, or national or ethnic origin, especially for the enjoyment of the following rights:

In particular, subsection (d):

(d) Other civil rights, especially:

In particular, also, paragraph (iii)

(iii) The right to a nationality;

One can therefore see in this section a direct cause and effect relationship between nationality and discrimination.

Revocation of citizenship on the grounds of conviction for an offense is incompatible with the spirit of the Universal Declaration of Human Rights, as we have seen, and is a direct breach by Canada of its international commitments pursuant to the Convention on the Reduction of Statelessness. Even when it is not on racial grounds, revocation of citizenship is a direct breach of the spirit embodied in the International Convention on the Elimination of all Forms of Racial Discrimination.

Also, such a revocation would go against the United Nations' efforts to improve the quality of life for stateless persons. It is therefore obvious, Mr. Speaker, that on an international level, Bill C-215 would have major negative effects and would force Canada to renege on commitments it freely agreed to by ratifying certain treaties, in particular those I referred to.

Finally, the third negative effect that I see in the implementation of Bill C-215, if it was passed in its present form, concerns criminal law. The revocation of the citizenship of a person convicted of grave breach of one of the articles of the Geneva convention would result in a different treatment, depending whether such person had committed his or her crime in Canada or elsewhere. This would result in a further punishment for the person who had acted outside Canada. This situation would be inconsistent with the Latin maxim *nemo debet bis puniri pro uno delicto*; in other words, no one should be liable to be punished more than once for the same offence. This same maxim is expressed differently in section 11 of the Criminal Code.

The revocation of citizenship is therefore foreign to our Criminal Code where a convicted person may be either imprisoned, fined or given a suspended sentence with a recommendation for probation. But nowhere is there mention of revocation of citizenship. It could be argued that such a penalty would impose a cruel and unusual punishment, in violation of section 2(b) of our Bill of rights which is found in the Revised Statutes of Canada, 1970.

Finally, Mr. Speaker, the principle of this bill or at least its intent is contrary to the Canadian policies in the area of citizenship and criminal law, as well as our international commitments. However, I would like to reconsider the fact

[Mr. Lachance.]

that there is now a popular movement for the remembrance of what happened in the Second World War. I was not then a politician but I am conscious of course of the entirely negative impact of that war and more especially for those who experienced harsh treatment in the hands of Nazi authorities.

The whole debate dealing with the statute of limitation in Germany must necessarily be carefully followed here. This is why in spite of my serious reservations about the mechanism of Bill C-215, which if it was passed in its present form, would compel Canada to review some agreements at the international level and on the other hand, to review some basic principles, more especially the principle stating that one cannot be condemned twice for the same crime and other legislation, more particularly the immigration legislation which does not provide for such penalty and finally would compel parliament to review its basic philosophy underlying the comprehension citizenship issue, one of the most liberal with a small "l" in the world even if I have very serious reservations, I still think that because of the concern of the member and of other Canadians toward this matter of the war criminals and the fact that the memory of the atrocities committed during World War II that must be kept alive, as Parliamentary Secretary to the Minister of Justice (Mr. Lalonde) I would accept, Mr. Speaker, that a motion be presented so that this bill be withdrawn and its subject matter referred to the committee on justice and legal affairs so that the members of that committee may discuss together means and mechanisms which would enable us to see to it that the lesson of the Second World War be well remembered by Canadians and that we may try to find means to avoid that these horrors be repeated once again.

• (1740)

[*English*]

Mr. Maurice Dupras (Labelle): Mr. Speaker, I wish to take part in this debate, and I begin by reiterating some of the comments of the previous speaker, the hon. member for Lafontaine-Rosemont (Mr. Lachance). I should like to remind hon. members and Canadians of the awful experience humanity has faced in the last 50 years. Also, it is good to remind people of what took place between 1939 and 1945. The abuse and cruelty some people were subjected to during those difficult years are fresh in the minds of those who participated in that conflict.

I will not deal with the legal aspect of Bill C-215 as some of my colleagues have done so already, but I should like to add another dimension in the first few words of my contribution.

[*Translation*]

The tragedies which mankind experienced all too often, Mr. Speaker, are still too fresh in the memory of a great many Canadians. However, for those of our fellow citizens who have not experienced what is a total war such as that of 1939-45, such a concept is so remote from the mind of these people that they find it difficult to truly perceive what these people who have lived through the war have endured, be they those people

who lived on the continent or in England, our enemies or our allies. It is an experience, Mr. Speaker, which left a mark on all of us who have contributed in some manner or who have actually participated in that conflict and it is a story which should be regularly reminded, as I mentioned earlier, so that no one may forget the memory of these trying times humanity went through.

As French-speaking Canadians from the province of Quebec, Mr. Speaker, when reference is made to Canadian citizenship we ascribe, or at least I do, a great value to a citizenship which we hold so dear to our hearts.

The purpose of this bill is to take away from the known war criminals this great privilege of going about freely posing as Canadians and enjoying Canadian citizenship. Mr. Speaker, war criminals, those who have been found or who will be found guilty of war crimes against whichever nationality, and incidentally, some 15 of them are said to live in Canada, should be denounced, they should be stripped of their Canadian citizenship so that mankind may know that once and for all there is no longer any room in this modern world for this kind of abuse, such atrocities and acts of violence.

This is even more important, Mr. Speaker, when we consider the situation throughout the world and the great temptation that certain politicians have to use violence occasionally to get what they want. In view of what goes on at the present time and since I have seen this much more directly, Mr. Speaker, for having passed the three months of the Third Assembly of the United Nations in New York, I was able to see and hear every day reports of serious incidents involving violence where people have lost their lives or been tortured in certain countries to meet the objectives of others.

This bill, Mr. Speaker, will help warn everyone, and especially those who would be tempted to use violence to serve their own interests, that you must always be ready to face the consequences of your actions. I am convinced, Mr. Speaker, that Germany and the German people will have no objection if their compatriots who brought so much shame on the noble German people are denounced and have to pay for their crimes.

It seems that two or three other countries have passed similar legislation to ensure that all those who are found guilty of crimes against the Jews will be punished fairly and according to the best legal practices. As I say, two or three countries have already passed similar legislation to ensure that those who fled Germany at the last minute to avoid being held responsible for their actions will be prosecuted and will serve their sentences.

Mr. Speaker, I said earlier that my interest in this legislation lies mostly in wanting to ensure that everyone will remember the terrible ills of war and the hardship that certain races or nations faced because of these conflicts. What is most important, Mr. Speaker, is that this legislation will remind us that we are always responsible for our actions and that those who have not yet been prosecuted should be as soon as possible. I understand that another of my colleagues would like to contribute to this debate, Mr. Speaker, and I thank you for the time which was allotted to me.

• (1750)

[*English*]

Mr. J. R. Ellis (Hastings): Mr. Speaker, I intend to become involved in this matter only briefly. The hon. member who introduced the bill made the point at the beginning of discussing statutory limitation, saying that statutory limitation for murder has been discussed with increasing frequency in this and other countries of the world. In other western countries almost the only question is whether murders committed during the Nazi era come under the statute of limitations. The federal government of Germany, in my opinion, has so far failed to put before the public in Canada and in other countries the facts about this particular matter.

Since in Britain and in the United States, in particular, the statute of limitations, is for the most part an unknown facet of the law, many people tend to see the expiry of that period as a general amnesty. Hardly anybody in these countries is aware that currently over 3,000 cases involving probable Nazi crimes are the subject of legal proceedings of one form or another in West Germany, and that about 4,000 cases involving investigatory proceedings are to be completed by the year 2000. Nor have Canadians and Americans been made aware of the fact that in the ten years since 1969, when the period of statutory limitation was extended from 20 to 30 years, only three offenders have been convicted. Some of the condemnation then of the Federal Republic of Germany and its statute of limitations that we hear in the west would not have been forthcoming if the federal government of Germany had done its duty and saw to it that the necessary information was made available.

I make that point particularly when our Prime Minister (Mr. Trudeau) has been such a close friend of the Chancellor of Germany over the past few years, during which time, at meetings between the Prime Minister and Mr. Schmidt, the points raised this afternoon in the hon. member's bill must have been mentioned.

In the meantime, the chairman of the SPD parliamentary party, the party that has formed the government in Germany, has also joined in the debate. This man, with his attitude at a time when Stalin was committing wholesale murder, can hardly have a claim to be heard on this of all problems. He calls MPs in Germany not in favour of dispensing with the statute of limitations "injudicious". His intervention has poisoned the opinion of parliamentary parties, and the leaders of the government cannot seem to make him stop these comments which have made it, frankly, doubtful, as the hon. member for York Centre (Mr. Kaplan) says, whether a majority can be mustered to scrap the statute of limitations.

As a member of the official opposition, in lending some support to the hon. member for York Centre I should like to point out that I have colleagues in West Germany in a similar

minded party who are included to favour the abolition of the statute of limitations, but they see themselves in the company of a man whose own standards have been called into question, which indeed prejudices their position in the matter.

I thought that in these few moments I should make the point that in fact the socialist government in Germany has not taken the steps it should and could have taken, to make this matter so much more clear cut and, therefore, make it so much easier to adopt abolition completely, which would have overcome the necessity for a bill such as the one introduced by the hon. member for York Centre. I understand that, for a change, the hon. member for York Centre has induced his government colleagues to allow the content of the bill to go to the committee. It might appear I am standing here with the possibility of talking it out, but I assure you that I have given my word to the hon. member that I will not do that. I will now sit down and allow the bill to go to the committee.

Mr. Railton: Mr. Speaker, before you call it six o'clock, and since hon. members are pretty well agreed that this course should be taken, I would move that Bill C-215 be withdrawn, that the order be discharged and that the subject matter be referred to the Standing Committee on Justice and Legal Affairs.

Mr. Deputy Speaker: Order, please. I think the best procedure to follow would be an amendment to the motion and, if the hon. member agrees, I will read it, and then if he wants to put his name to it as the mover, and suggest a seconder, I would put it to the House. The motion would then be in the following form:

That the motion be amended by deleting all the words after "that" and substituting the following therefor:

Bill C-215, an act respecting war criminals in Canada, be not now read a second time, but that the order be discharged, the bill withdrawn and the subject matter thereof referred to the Standing Committee on Justice and Legal Affairs.

Would that satisfy the hon. member?

Mr. Railton: Very good, and I thank you Mr. Speaker.

Mr. Deputy Speaker: Then I propose that the amendment be moved by Mr. Railton, seconded by Mr. Ellis—

Mr. Knowles (Winnipeg North Centre): The members present have all spoken. I guess I am the only one left who can second it. I do so, Mr. Speaker.

Mr. S. Victor Railton (Welland) moved:

That the motion be amended by deleting all the words after "that" and substituting the following therefor:

Bill C-215, an act respecting war criminals in Canada, be not now read the second time, but that the order be discharged, the bill withdrawn and the subject matter thereof referred to the Standing Committee on Justice and Legal Affairs.

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

Some hon. Members: Agreed.

Mr. Deputy Speaker: The question is on the motion as amended. Shall the motion as amended carry?

[Mr. Ellis.]

Some hon. Members: Agreed.

Mr. Deputy Speaker: Accordingly the order is discharged, the bill is withdrawn, and the subject matter is referred to the Standing Committee on Justice and Legal Affairs.

• (1800)

It being six o'clock, I do now leave the chair until eight o'clock this evening.

At 6.02 p.m. the House took recess.

• (2010)

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

NATIONAL HOUSING ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Ouellet that Bill C-29, to amend the National Housing Act and the Central Mortgage and Housing Corporation Act and to make other related amendments, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

The Acting Speaker (Mr. Turner): Order, please. At five o'clock the Parliamentary Secretary to the Minister of Public Works and Minister of State for Urban Affairs (Mr. Herbert) had the floor.

Mr. Hal Herbert (Parliamentary Secretary to Minister of Public Works and Minister of State for Urban Affairs): Mr. Speaker, when I was interrupted by the clock at 5 p.m. I was talking about the Tory program of mortgage interest deductibility and I was listing some points I considered that should be brought to the attention of the population of Canada. If these points were better understood by Canadians, it might eliminate some of the popularity of this program which exists at the present time.

I had outlined several items, and it is from that point I would like to continue. For example, I turn now to the problem senior citizens will encounter with the Tory scheme. I am speaking of those senior citizens who own their own homes and have long since paid off their mortgages. Because of their age, and despite their equity positions, they will find that lending institutions will be unwilling to provide funds that would enable them to take advantage of the tax benefits in the scheme. It is well known that lending institutions are often reluctant to lend moneys to elderly people for home mortgages.

Those who have small mortgages or no mortgages at all will find themselves in the impossible position of not being able to borrow funds in order to take advantage of the Tory deductibility plan. People who can afford to increase their mortgages can use the moneys raised for other purposes, that is, to buy goods or pleasures. They can do this at the expense of the taxpayers generally, many of whom cannot afford a home and certainly cannot afford the extras that will be bought with the tax subsidized proceeds. If a person with little or no mortgage wants to take a trip around the world, that person can very easily increase his mortgage or take out a mortgage on his home and use these funds for whatever purpose he wants, perhaps to purchase a car or to finance a trip. This person can then deduct the interest on these borrowed funds and gain the benefits from the Tory plan.

Home building of the kind that would benefit from this program has always been strong. A look at the statistics would indicate that in the case of single family residences there has been no fall off in construction of this type of house in Canada, with the exception of the province of Quebec. In that province the fall off has been fairly appreciable because of political reasons. The strength in the building of this type of home would illustrate that this is not the kind of construction that needs further boosting.

The United States permits mortgage interest deductibility. A comparison with the United States shows that Canada's record of home building, on a per capita basis, is and always has been vastly superior to that in the United States. At this point I would like to cite some figures. In the ten-year period from 1967 to 1976 one can see that whilst the high in 1972 in the U.S. was some 2,379,000 homes built, the low in 1975 was 1,171,000 homes, and the average is somewhere about 1.5 million homes built per annum. In Canada for the same period the high recorded in 1976 was 273,203 homes built, and the low was 190,528 homes built in 1970, giving an average of approximately 250,000 homes built per annum. This would indicate on a rough ten for one basis—the population of the United States being approximately ten times that of the population of Canada—that home building in Canada has been substantially stronger than home building in the United States. In fact, home building in Canada on a per capita basis has been in the order of 60 per cent higher than that in the United States.

The Carter Royal Commission on Taxation said that the tax system should avoid tax concessions to particular kinds of income, that such tax concessions are always inequitable. I suggest that the Tory proposition is about as inequitable a tax system as they could come up with. Since we have been talking of comparisons between Canada and the United States, I should mention that profit on the sale of a house in Canada is free of capital gains tax. This is not so in the United States. This Tory program will probably cause some major disruptions in the financial market, especially in its initial stages.

There is one other point I wish to mention in the remaining time I have. It deals with the Tory allegations of excessive defaults in the Assisted Home Ownership Program. AHOP loans in arrears do not automatically constitute a default. As of December last year only 1.62 per cent of direct AHOP loans administered by CMHC were in arrears three months or more. One year previously the rate was 1.31 per cent. One can translate that into percentages and come up with a fairly large increase. I would guess it would amount to something in the order of 20 per cent or 25 per cent. However, the default rate is still 1.31 per cent.

The percentage for all NHA insured loans in arrears three months or more as of December 31, 1978, was 0.99 per cent, that is, less than 1 per cent. The Conservatives are making a lot of noise about this because they are able to apply the percentage of AHOP defaults against the percentage of regular defaults. If we look at the figures we will see that very little of the moneys which have been put into the insurance of mortgages has been used. In other words, the losses have been almost negligible.

The application of a percentage to AHOP defaults against regular NHA insured loan defaults will give an obviously false impression. I would suggest it would be a good thing if we used some of the large fund which has been built up from insurance moneys received by CMHC to ensure the construction of additional homes for people with low incomes.

• (2020)

In closing may I reiterate a point which I think is most important. As I said earlier, the average income in Quebec is $19,300 per annum for home owners compared to a figure of $22,500 in Ontario, $21,200 in Alberta, and $22,100 in British Columbia, meaning that the Albertan home owner's income is $2,000 more than that of the Quebecker, and in Ontario and British Columbia approximately $3,000 more.

As I mentioned before, 33 per cent of total mortgage interest payments are paid by those with incomes over $20,000. Since Francophones in Quebec are only approximately 45 per cent home owners compared to 69 per cent in British Columbia, 66 per cent in Ontario and 65 per cent in Alberta, the discrimination between the wealthier provinces of Alberta and British Columbia compared to the people living in Quebec must be obvious to everyone.

As I suggested earlier, it is this discrimination that I find most unjust in the Tory proposal. I would like to hear from some of the Tories how they are going to account for this attitude toward the people of Quebec who have lower incomes and who do not have as many homes on a percentage basis as in English Canada. Because of their lower incomes they are paying lower rates of income tax. Therefore, their total benefit per capita is going to be substantially less than for those in Alberta and British Columbia, the two wealthier provinces in this country.

I am not speaking against the riches of the west of this country. It is good for our country as a whole. However, when we talk so often about what is going into the province of Quebec, I suggest that the Tory scheme is going in exactly the reverse direction. I would ask them sincerely to reconsider

their attitude toward the Francophone home owner in the province of Quebec.

Mr. John C. Crosbie (St. John's West): Mr. Speaker, before I get into the main subject of my remarks on this legislation, I just want to refer to the parliamentary secretary's remarks which have obviously been prepared or certainly vetted by somebody in the department of urban affairs because they were pretty urbane.

Mr. Herbert: On a point of order, Mr. Speaker, I prepared my own remarks.

Mr. Crosbie: If the hon. member prepared his own remarks, they are still urbane. They are not germane. As far as AHOP is concerned, the best thing this government can do is AHOP to the polls because we are tired of waiting for that crowd to put their record on the line, instead of getting up in this House with all their dreary arguments against the mortgage deductibility scheme. To see you hon. gentlemen trying to crawl through the head of a pin, trying to argue against the mortgage interest deductibility, is really remarkable.

The hon. member now pretends it is a sinister scheme against the Francophones. What he won't stoop to in order to try to hold his seat in Quebec. That shows we are likely to get 60 seats. They are worried about their seats in Quebec. The hon. member says it is a sinister plot against the Francophones that we are going to make mortgage interest deductible. Have you ever in your life heard anything more ridiculous than that statement?

The parliamentary secretary got up and he started bleating about the fact that we had taken two weeks. He bleated piteously that we had taken two weeks to discuss housing amendments in this chamber. Two weeks is not long enough to discuss housing amendments if they are serious amendments. However, I discovered that the parliamentary secretary did not know what he was talking about. It was not a big discovery. I suspected it.

I had my researcher check the record. Here it is. We have not been ten days, eight days, six days or five days. We have been merely four days discussing housing amendments. Friday, February 23, two hours, 10 minutes; Monday, February 26, all day; Wednesday, February 28, 40 measly minutes; Thursday, March 1, all day; Friday, March 2, 20 minutes. The hon. gentleman did not want us to spend 20 minutes on it. Monday, March 5, all day, and today. To date we have had three days. If you take three parts of days it gets us up to four days of debate, not two weeks. If this government cannot stand having its legislation scrutinized in this chamber for four days, it should get out of office.

Where is the minister tonight, the minister who announced all these amendments six or eight months ago? The minister announced the amendments and he is not even here to listen to our comments and learn something. He is cowering somewhere. He is worried about the Francophones being attacked badly by a mortgage interest deductibility in Quebec. That is what he is doing.

Let me just say this. Methinks the hon. parliamentary secretary doth protest too much. What is so bad about mortgage interest deductibility that we cannot have it in Canada, that the fabric of our society and the Francophone element are going to be trampled underfoot and ruined altogether if we have mortgage interest deductibility up to an amount of $5,000 per year phased in over four years with $1,000 a year municipal taxes also made deductible?

The people in my district of St. John's West want it. Those who are not home owners are renters and they want it because they are going to become home owners. They are not worried about all of these things that the hon. gentleman points out. They know they have had it in the United States for years and the social fabric has not disintegrated in that country. They also know they have had it in other countries. Let us not hear any more of these piteous Liberal whines because they did not have the courage and the audacity to bring forward this imaginative tax reform themselves. This alone is enough to win me a huge majority in St. John's West. The more Liberals that come down there fighting and attacking this, the better off we will be.

Have you ever seen a government with a majority that so mealy-mouthed its way around the House of Commons as this one? They cannot control the time of the House for some reason. It is the fault of the opposition that this bill does not come forward. It is the fault of the opposition if that bill does not come forward. It is the fault of the opposition if four days are spent on this. It is the fault of the opposition if two days are spent on that, or two weeks on something else.

Some hon. Members: Hear, hear!

Mr. Crosbie: What do they want? Do they want all 265 seats? Is that what they want? Well, sir, they are never going to get that. They may have come close to it in the past, but they have had it this time. I am going to leave the parliamentary secretary limp, dangling in defeat, with his 35 minutes forgotten about, because I demolished his whole argument in merely three or four minutes, and I will now come to this bill.

Central Mortgage and Housing Corporation was once a fine institution, strong, a good housing agency. However, it has been molested. This government should be arrested for Central Mortgage molesting, just like the child molesters. It is this government that has molested CMHC. It has brought it from a high platform, from an institution that was respected till today, to the slingy, grey, dim stage that it is today, with scandal after scandal running across the country in CMHC offices, just like an attack of the measles across this country. That is what has happened by political interference by the Minister of State for Urban Affairs, politically interfering and molesting CMHC. It has brought it to the position that everywhere you look there is a scandal. I am going to deal with one in my own constituency in a few minutes.

They have despoiled Central Mortgage and Housing Corporation. It used to be well thought of across the country, respected everywhere, but this political interference, this patronage fount, has turned it into a fount of patronage.

An hon. Member: Prove it.

Mr. Crosbie: I will prove it; just wait a few minutes. The minister of state for graftology, I call him, the minister in charge of urban affairs. Now they are going to do away with urban affairs and molest it behind the scenes. They had been molesting it in public. Now they are going to do away with the department and do it quietly.

It's the ministry of state for poltroonery, Mr. Speaker, that's what it is. It's the ministry of state for political affairs. It's the ministry of state for "spoil the party friends." Every Liberal lawyer in the country has his tongue lapping out, hoping it will lap up some of those fees that they get, the legal fees and the emoluments that are given by the Liberal government which appoints them to act on CMHC mortgages.

I have given you this aphorism before, and I will repeat it: you might as well open an oyster without a knife as a lawyer's mouth without a fee. But I can tell the House that the Liberal lawyers of this country have got their mouths open. The oysters are all on this side. We cannot get a pea out of it. No way one looks at it, it is patronage gone putrid. It is dingy purse-cutting for political reasons. It is the ministry of state for purse-cutting that cut the purses out of the Canadian people in this institution. They have brought it down from a vibrant, dynamic, well-recognized, leading housing authority, to this slingy object that we see before us whenever we look at the newspaper and look at CMHC. It is not the fault of the people who work there, the permanent civil servants, Crown employees or whatever they are called. It is because of the Liberal government of this country that they have been brought to such a low estate.

● (2030)

Now, what makes me say that? I do not like to say that. I do not like to have to say this. What makes me say it is the fact that everywhere one looks in the country, these kinds of things are breaking out. From the Rudnicki affair—Rudnicki, the man treated shamefully by the Ministry of State for Urban Affairs—to urban transportation, to luxury hotels being financed by CMHC when there is no place for it. Anyone building a luxury hotel should be able to finance it himself through private means. There is York Place, Virginia Park in St. John's East. There is AHOP. AHOP is a living scandal, a running sore across the country. That is what AHOP is, with dingy contractors getting into CMHC and getting finances to build substandard hovels that are falling apart right across this country. They are subsidized by the Liberal government.

Mr. Olivier: Name one.

Mr. Crosbie: I am naming one now, Virginia Park, and I am going to name another one in a few minutes.

An hon. Member: Name a hundred, John.

Mr. Crosbie: There is Quigley Road, the whole thing. Everywhere one looks, the RCMP is probing here and probing there. We will not have a report until after the election, I suppose. That is what is going on with CMHC across this country. It has come to this. Even now when we come to ordinary administrative detail, CMHC has weakened. They are weakened by the interference that they have had from this government. Everyone in the government should get at least ten years as a CMHC interferer, despoilers and molesters of CMHC.

Let us look at the Residential Rehabilitation Assistance Program, RRAP. It was introduced in 1973. This will illustrate the cynicism of this government, the crass cynicism. My God, I wish they would go to the people tomorrow so that we could get them before the public and get them out before their cynicism spoils us all.

Mr. Whiteway: Right on.

Mr. Crosbie: It was introduced in 1973 to provide federal loans and grants to assist in the improvement and repair of substandard dwellings. It was an excellent program. Loans, part of which could be forgiven, were available to home owners and landlords who owned land in a particular neighbourhood improvement area or a specially designated area of the country. It was excellent to rehabilitate present housing stock. That was in 1973. Then it is announced that there are going to be some changes. It is announced by the government because it knows there is a big demand across the country for this. The government wants to pretend it is now going to become available to everyone, no matter where they live. So, the minister made a dramatic announcement that from now on the program is going to be universal, and there are several other changes. Landlords get done in a bit. They are not going to get direct loans, and they are not going to get as much forgiveness as before. Otherwise the program is going to carry on, but it is going to be universal.

When some members of the public hear that, they naturally expect "universal" means that everyone is going to be entitled to get a RRAP home improvement loan of $10,000 with $3,750 forgiveness, no matter where he lives; that one no longer has to live in a NIP area. That is the impression given by the minister of state for urbane affairs or profane affairs.

Then our astute housing critic comes across a memorandum from R. V. Hession, who is in charge of CMHC, to the hon. minister, dated January 3. It gives the lie to what the minister has said and shows the utter depravity of this government. It is a depraved government. I hate to mention that to you, Mr. Speaker. I do not want to shock you, sir. You do not realize, sir, what you have been associating with.

Some hon. Members: Order, order!

Mr. Crosbie: What did Mr. Hession say to the minister? He said this:

> The 1979 capital budget is $56 million. We will need $37 million to maintain activity in the existing designated areas where work has already begun. A further $3 million will be needed to deal with areas already designated but where work has not started.

That is $40 million. He continues:

> This leaves $16 million of the 1979 budget for new initiatives.

How far will $16 million go across the great Dominion of Canada to bring the RRAP program to the rest of the housing areas of Canada? He goes on to say:

However, 68 areas have submitted final applications for designation under the 1978 rules. After the new law comes into effect, they will not need order in council designation, but they will warrant some priority attention. These 68 areas will require at least $7 million. Thus only $9 million for some 2,250 units remains for work under the terms of the new program—

So, this is not a universal program. There is enough money in 1979 for 2,250 units, outside those already committed. It is a fairly modest amount, which Mr. Hession says it is. He points out that neither the industry nor the municipal delivery system can deal with a universal program, and that in a specific sense, anyone any day of the week cannot walk into a municipal office and be served.

When the minister got this memorandum on January 3, did he come out with a release the next day to tell Canadian people this truth? He did not. He continued his deception. He continued his false impressions. He continued his falsehoods until this was brought out by our housing critic, the lady who is going to be the minister of housing in our new great administration and bring into the House the mortgage interest deductibility. Herself and our finance minister will be fighting to the death to see who introduces it first. Maybe they will do it both together.

The letter goes on and talks about the number of units we need. Over two million housing units are in need of modernization. Over a ten-year period there are 200,000 to 400,000 which need serious upgrading, units occupied by lower income people. The letter goes on to say that we can do about 20,000 units a year. So, that is ten years just for just 200,000, not to talk about the two million, the two million homes where the minister has tried to give the impression that they are going to be eligible immediately for RRAP assistance: $10,000 to repair the home and $3,750 forgiveness. That is the kind of sleevenery with which this government hopes to stay in power. Well, it is not going to work. Mr. Hession goes on in his letter to talk about recent CMHC staff cuts which would make the servicing in municipalities very, very difficult. Therefore, 1979 will need to be devoted carefully to making inroads in existing designated areas, not new areas.

This is the most astounding document ever produced to refute and show how a minister attempted to deceive parliament and the Canadian people, and the man is still in the cabinet. That gentleman is still in the Government of Canada, in the cabinet. That shows the standards the Prime Minister (Mr. Trudeau) has. When one of his ministers is revealed to be deceiving the Canadian public and parliament, he allows him to stay in his cabinet, and then has attached a ten-year plan to modernize and rehabilitate Canada's housing stock.

Mr. Hession further goes into the details. One can see here a public servant who is trying to do his job, surrounded by depravity and deception and deceit. He is trying to do his job. He sets out the problem. At page 2 of his letter he said the following:

[Mr. Crosbie.]

Accordingly, the policy of universal eligibility in urban areas has been adopted by the federal government. This will come into effect after Parliament has passed the bill—

He goes on to say:

It should be stressed that universal eligibility does not mean that anyone in Canada who feels they are in need of aid will automatically be served. At the moment, some 20,000 units are being rehabilitated annually. Rehabilitation is a complex process in which inspection, cost management, and consumer protection must all be undertaken with great care.

He goes on to point out how there is no possible way that there could be a universal program, and that they must assign priority and deal with those with the greatest needs first. He sets out three factors. I have not got the time to go into all of this. He sets out a ten-year plan to rehabilitate and modernize Canada's housing stock, following consultation with the provinces and so on.

The president of CMHC is an honest man trying to do his job. He is treading through the mire. He is treading through the muck, the worst kind of political chicanery that a government of Canada ever went through or ever put public servants through. He ends up with "this all sounds technical". It is not technical. It all sounds truthful. So, that is what we are dealing with in RRAP.

I tell the people of Newfoundland now, "You are not eligible for RRAP. They haven't got the money to give you the RRAP. It is only you people who are already in designated areas that have any chance of getting it this year. So, forget the lies that you have been told. There is no such program available to you."

Just before passing on to some incidents in my own district, I want to read this concoction from the Minister of State for Urban Affairs (Mr. Ouellet). It was delivered on February 19, 1979 at the annual meeting of HUDAC. HUDAC? HUDAC was the minister. He was speaking of HUDAC. This is what he said at page 21. He was trying to argue that the mortgage interest deductibility policy of the Progressive Conservative party, the new policy of the new government of Canada, should not be carried into effect. He is green with envy, so he trots out a tax credit scheme. I did not see the Minister of Finance (Mr. Chrétien) dancing around the country shouting, "Billions for the tax credit scheme. This is going to be $5 billion or $6 billion." No, he certainly kept his mouth shut about that one.

● (2040)

After talking about this great tax credit scheme, which will not make any distinction between owners and tenants because none of them are going to get it, there never will be a scheme, he said this:

To introduce any general program, however, that seeks to redistribute income for shelter purposes, requires a very substantial commitment of government funds.

This is the first peak of truthfulness we see in this speech.

As a minister of the government in power, I do not have the advantage of being able to advocate prodigality on the one hand and retrenchment and restraint on the other.

Why not? Every other minister in the government is doing it. Is this the only minister forbidden to make these little

distinctions, to advocate prodigality on one hand and retrenchment on the other? But he says:

I do believe that in the near future, as soon as our economy permits—

That is a way out, Mr. Speaker, because if this crew were kept in power the economy would never permit this to be done. He went on to say:

—we should adopt a shelter allowance system that will provide assistance to home owner and tenant alike, through payment of a tax credit for shelter expenditures exceeding a certain percentage of income.

He is a wizard of weaseling, a weasel hoarding wizard of the cabinet when he can try to pretend to be introducing a great tax credit program and then say we will adopt it in the near future, as soon as our economy permits. We should adopt it so that when they are re-elected, if they are re-elected, they can say they never promised it in the first place because everybody knew the economy would never improve with them in power. That is as despicable as what that minister and his predecessors have done to what was once an excellent housing corporation. The Minister of Defence (Mr. Danson) was once the minister of state for urban affairs. The rot set in when he was there, and it has become far worse. I must say it has become even worse after the minister left. He is now Minister of National Defence, and the rot has set in there.

Now I want to come to AHOP. My friend, the hon. member for St. John's East (Mr. McGrath), has put before the House what happened in Virginia Park and the AHOP program. He spoke about the fantastic conditions, the brick deterioration, the absolute lack of any standards of upkeep, of maintenance, of the housing that was put up in this area under AHOP by CMHC. When their inspectors had passed these inferior materials and standards, it was an insult to offer the people in Virginia Park, the low income residents there, additional loans to have their houses repaired so they would be in the state in which they should have been in the first place when the contractor sold them their homes financed by CMHC. They were going to charge them an interest rate on the loans. Well, that will not happen. They will get a far better offer than CMHC is making them before this is all over. These people have been put upon by the national housing agency which should never have permitted those units to be sold unless they were in proper condition to be sold.

It may be that private entrepreneurs can get away with it by saying, "Let the buyer beware." The private seller might be able to get away by using that old slogan, but the government cannot say "let the buyer beware" when the government is involved, and when the government has inspectors. The people of this country think that a CMHC inspector inspects and that what has been inspected is fit and proper when they buy it and assume a CMHC mortgage.

So I support my colleague, the hon. member for St. John's East, and I support the Virginia Park Home Owners Association when they say that CMHC should put these dwellings into proper condition no matter what it costs them, without them lending any money to these people, with no increase in their mortgages or their responsibilities. There are serious allegations that the contractor, Brenjay Construction, bribed CMHC inspectors. That is even a greater reason for this to be the case. When a contractor uses a corporation to do one job and a second corporation to do another job, and third corporation to do still another job, it is no good CMHC saying they can do nothing about it. These people now can only sue the corporation which built those homes, without the assets, and nothing left in it.

CMHC can police that, because they can say to the contractor, "You did a shobby job. You have incorporated another company, but never come to us for a mortgage loan again or mortgage financing until you have fixed up the first project." That is all they have to do. They should tell them, "Never again will you get CMHC financing until you have fixed up the situation which you have created in Virginia Park." That is all they need to do. Never mind the legalities, the legal struggle. CMHC is responsible, CMHC has to fix up the Virginia Park situation of the home owners who have been taken to the cleaners in purchasing these dwellings and assuming mortgages from CMHC, believing that CMHC had done a proper job.

It is not the old CMHC, Mr. Speaker, now that its morale is gone, with the hot-shot builders looking around their shoulders for hot-shot ideas from their political bosses. They have been ruined in every political sense of the word, and changed from a star agency to one for which we now feel sorry. They no longer seem able to administer properly even the humdrum task they have in my own district of St. John's West, in Kilbride in the Gould's. There is an instance here when in January some 150 to 250 home owners who bought AHOP homes in Kilbride suddenly got a notice from CMHC telling them that their monthly mortgage payments were increasing up to $80 a month because the municipal taxes had increased. When this was looked into, it was found that the municipal taxes had not increased at all, there had been no increase in either municipal assessment or taxes over the last three years in the St. John's metropolitan board area under which Kilbride comes.

What had happened was that originally someone got the wrong information that taxes were going to be $96 to $126 a year on these homes. When the tax bills were sent a year later for the true amount of the tax, in some cases it was $254 a year, CMHC paid the taxes to the St. John's metropolitan area board but did not pass this on to the mortgagors and did not let them know. They let it go for three years. Then, in January of 1979, they gave these home owners notice that starting April 1 they had to pay vastly increased monthly amounts on their mortgage until all the arrears in their municipal taxes, of which they knew nothing, were repaid. They told them they had to repay all the arrears this year, in 1979.

Now, Mr. Speaker, these are people in straitened economic circumstances who took over these homes because of the Assisted Home Ownership Program. These are low income and lower middle income people. In some cases when the true municipal taxes are added to what they have to pay, they are no longer even eligible for the AHOP assistance because they do not have sufficient income for that. But along comes

CMHC, having made this mistake—it is a mistake of the computers or a mistake in the office, but it is their mistake—and they say, "We want you to start paying on April 1 vastly increased monthly payments. We want you to pay interest on the arrears in municipal taxes that you have not known about for three years."

Think of the audacity of that, Mr. Speaker. They are telling these people, "We did not tell you about these municipal taxes, we gave you the wrong figures, we did not collect them from you, we paid them. Now we are going to charge you interest on those arrears that you owe us." These people did not know there were arrears. These are innocent mortgagors, and they want them to pay the arrears back in 12 months.

I have written to the minister today and, if he has any sense, he can give me an affirmative answer to my letter or this bill will not be going through for months yet. Never mind a week or two weeks, a month, six months. If I could save some innocent 150 home owners in Newfoundland $1 a month, I would keep this bill going for six months, and no amount of squealing by the hon. gentlemen opposite would change my course. I would filibuster within the rules of the House and I would have the House leader of the NDP advise me on the rules. I would be the first speaker to answer the government on third reading and I would go on for ten weeks, easily. I can tell you that, Mr. Speaker. I would check every house from here to Vancouver.

Mr. Knowles (Winnipeg North Centre): Another Rodriguez.

Mr. Crosbie: I have asked the minister to put off the date of April 1 because it is too soon. Every one of these people has to meet with CMHC officials and go over their accounts, have them verify them and check them with the municipal authorities, so they cannot start paying for the increase on April 1. They should forget their arrears and interest on taxes which they never knew they owed. The arrears and the interest should be forgotten about. In some cases these people should be given two years, and in other cases five years, in which to pay their arrears on taxes, depending on their income, if in fact they should pay any arrears on taxes. They are certainly going to be arguing that they should not be paying any of these arrears because they are the fault of CMHC and its administrative practices.

● (2050)

What has CMHC come to? It has been so overburdened by government changes of policy, by the introduction and cancellation of haphazard programs that the administrative processes of the organization, an admirable organization at one time and still capable of being so, are breaking down. Everywhere you look across the country there is a breakdown in the simple administrative processes of this important government agency, and it is hon. members opposite who have allowed and caused this to happen.

In the particular case I am talking about now there was another amusing incident, I suppose you could call it: CMHC did not pay municipal taxes on time and was assessed interest by the municipality. Then CMHC sent the bill to the people down there who I shall be asking to vote for me in a few days or a few weeks or a few months, if this government ever gets up enough guts to go to the Governor General and get a dissolution so that we can put an end to their miserable tenure. They sent bills to the tenants asking them to pay the interest the corporation had to pay to the municipality because it was late in paying its taxes. Mr. Speaker, they can forget it. They are not going to get these interest payments because CMHC did not pay the municipality on time.

There is another problem I have discovered; it is similar to that of the Virginia Park Home Owners Association. I am told now that the quality of the workmanship in these homes is atrocious. The roofs leak, there is condensation inside and outside the walls, there is water everywhere, the windows don't fit, the doors won't close, and CMHC inspectors do not want to have anything to do with it. So there is another group of AHOP homes where the people who bought them are extremely dissatisfied. In some cases the contractor took the telephones and installed them against a beaverboard wall with nothing behind it. When you dialed a few numbers on your first day in the house the telephone fell off the wall. I suppose I cannot hold the minister responsible for that although I would like to. Was he down there at the time, I wonder? This is the kind of thing that is happening.

Why should lower income people who are being assisted to own their own homes have all this happen to them? It happened to them because there was not sufficient inspection by CMHC, because they moved into the program too quickly, because they did not take enough care, because the whole administrative structure of CMHC appears to be floundering.

I have written to the minister. He will get this letter tomorrow. I am hoping his parliamentary secretary is making notes and will see that this matter is looked into. When we get into committee, when I get back here on Thursday, I hope I shall receive some kind of "billet doux" so that I can tell these people who are going to see officials of CMHC on March 19, 20 and 24 just what attitude the minister is taking. CMHC has said they cannot do these things unless directed by the government.

NIP is a program which was very much used in St. John's, Newfoundland. They took good advantage of it, and in my own district of St. John's West several NIP programs have turned out very well. There have been others in mid-town St. John's and in St. John's East. Now NIP has gone and we are to have something called Community Services. But this will come in very slowly and there is a lot of discontent across the country at the way in which the government tried to fool the governments and the municipalities with regard to the new Community Services program. They tried to pretend it would be a vast expansion of the NIP program, but it was not. They nipped the NIP program; there is not going to be as much in the Community Services program as there was in the NIP program, though there will be more in future years when this government will not be here to be accountable for its promises—or there is going to be more if we can find any money

in the treasury to make sure that these promises are kept. One thing is for sure: the Liberal government will not be keeping them.

When I was getting ready for this debate I wanted to look up a quotation on housing from some kind of eminent gentleman. As hon. members know, I speak Chinese fluently. So, looking through my volumes of Chinese literature I came across this saying of Confucius—it seems to me I heard something from a confused lady on the other side of the House. I said "Confucius", not "confused".

Some hon. Members: Oh, oh!

Mr. Crosbie: We are going to miss the hon. lady in the next parliament. She is not going to be here.

Mrs. Holt: You will miss me because you won't be here.

Some hon. Members: Oh, oh!

Mr. Crosbie: Is that a threat? Anyway, the quotation reads, "The strength of a nation is derived from the integrity of its homes." Well, Mr. Speaker, if that is correct, our nation has become pretty darned weak because our homes do not have too much integrity unless we have built them ourselves and got our own money for doing it. But if we are members of the struggling working class or the lower middle class and we had to go to an AHOP housing program to get a roof over our heads, to move out of an apartment, then the integrity of our homes is very much in question. I have heard members from right across this nation, from British Columbia to Manitoba to Newfoundland, describe what is happening to their electorate under the AHOP program. No wonder there is a high rate of foreclosures in connection with that program. I am hoping I have enough time to allow me to continue.

An hon. Member: Go on!

Mr. Crosbie: The RRAP program I was discussing earlier sets a maximum of $10,000—that is all you are allowed to spend on any one home. Some months ago I suggested to the minister that $10,000 was not enough, especially in the case of an older home which needed to be renovated and repaired, and that the ceiling should be raised to $15,000. This has been the experience in St. John's.

I also drew attention to some crazy CMHC regulations having to do with certain building materials. Those regulations should be changed. I do not have the name immediately available to me but there is a building material, some kind of plaster you have to mix with water, and there is a factory here in Ottawa which manufactures it. CMHC stipulates you have to bring it to Newfoundland mixed with Ontario water; we are not allowed to mix it with Newfoundland water. So we have to pay a couple of hundred dollars in freight charges to ship this material, instead of paying $20. In other words, freight rates are about ten times as much as they should be because we have to pay to bring in a lot of Ontario water. I pointed out to the minister that there is one commodity we have a plentiful supply of in Newfoundland, and that is water. We do not need to pay freight charges on Ontario water. We get watered on enough by Ontario. I have not had an answer saying whether the regulations will be changed or not. As I say, Mr. Speaker, the maximum amount available under the program should be raised if the scheme is to be effective.

There is another program I want to talk about—the CHIP program, the "Canadians hosed by parliament" program as I call it. This is one of the home insulation programs. That is the program one of the hon. members opposite was talking about. He tried to make out that mortgage interest deductibility was somehow anti-French-Canadian. It is a funny thing, everything we do on this side is supposed to be anti-the-French-fact or anti-French-Canadian or anti-Quebec. These gentlemen who are so much in favour of national unity never stop trying to spread their poison, whether in this chamber or outside. When it came to this CHIP program, what did they do? They arranged it so that the program in Nova Scotia and Prince Edward Island was different from that applicable to the rest of Canada.

Did we get up and say it was an anti-French-fact program, an anti-Québécois program, an anti-bilingual program because Prince Edward Island and Nova Scotia were being treated differently? We did not. We do not want to slither our way into power by playing that game. They introduced a program which discriminates against eight provinces in favour of Nova Scotia and Prince Edward Island. If you live in Nova Scotia or Prince Edward Island you can get a grant to help you instal insulation in your home, but if you live in the other provinces you get a loan which you have to pay back. I do not have time to discuss all these programs.

• (2100)

That is what I call a discriminatory program, not a mortgage interest deductibility program that is going to apply to every householder in Canada no matter where he lives. How can that be said to be discriminatory? A program is discriminatory that lays down one set of rules for one province and a different set for the other. That is the 1977 program which has been an immeasurable failure, Mr. Speaker. You get a taxable grant of up to $350 to insulate your home, that is in eight provinces, but down in Nova Scotia and Prince Edward Island you get a $500 grant, non-taxable. That is discrimination. If you want to talk about whether the Québécois home owner is being discriminated against, yes, he is. This government discriminated against him because this government said, "If you want to insulate your home and you live in Quebec you are going to get $350 in a grant to help you, taxable; you have to add it to your taxable income. But, if you live in Nova Scotia or Prince Edward Island you are going to get a $500 grant non-taxable, not added to your taxable income, and you do not have to pay tax on it." The result of this program was that the demand was far short of expectations.

The Minister of Energy, Mines and Resources and Minister of State for Science and Technology (Mr. Gillespie) says he has got an energy program. This is supposed to be part of it,

the conservation program, this disgrace, this CHIP program. I suppose it was a chip program, Mr. Speaker. It was a gyp program, it was a gyp against the eight other provinces. We hear that the hon. gentleman wants to make energy an issue. The government wants to make energy an issue. I hope they do make energy an issue, Mr. Speaker. They will wish that they had not. I hope they make housing an issue.

So this is the sorry story that we have to speak about here tonight, Mr. Speaker, with failure after failure by this government, caused by political interference of every sort and description. We have the York Place affair in Hamilton with bribery, political intervention, cover-up, questionable lending practices, and we have not heard the last of that yet. That is in the courts and being investigated. It always takes years to investigate these. We have the hotel stories where people's money went. Imagine a government housing agency lending money to a luxury hotel, the Quai d'Orsay here in Ottawa, and on and on it goes. All the hotels we were promised were in good financial shape and they have gone bankrupt one after the other. The new Howard Johnson Hotel in Montreal, insured by CMHC, went into bankruptcy. On and on it goes, and whenever you ask the minister a question all he does is double talk.

The minister has got the most twisted mind I have ever come across, if it could be called a mind. Whatever it is, it is twisted, badly injured; it is damaged, it is a mind that has been used to molest CMHC.

There is the Cloverdale Park housing complex in Montreal where again there are a lot of low income earners, and again a lot of difficulty. CMHC is selling the complex to the private sector, and nobody knows about that until they see it in the newspaper. I have mentioned Virginia Park. I mentioned Kilbride and what happened there to 150 home owners, and the CHIP program, a disaster. Then we have the denial of civil rights to Walter Rudnicki, who was fired in 1973, a complete and utter denial of civil rights for he was successful in a lawsuit, was to be reinstated and found to be wrongfully dismissed. This government does not care about somebody being wrongfully dismissed. This government does not care about anybody's civil rights being trod on. It does not care at all.

Urban transportation—we won't even mention that because that is again political cynicism at its greatest. We have the minister letting Liberal MPs and politicians announce when loans are going to be made, or funds are going to be given to a riding, or grants under the municipal incentives grants program. No wonder—

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

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Crosbie.]

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, any housing policies should have begun, instead of after the fact legislation such as this, with objectives and premises whose projections into the future were based on a clear assessment of the present situation in which we now find ourselves. Too often I have heard objectives stated in the negative, determined from limitations and reduced expectations, in the hope that Canadians will happily settle for, not necessarily the form of shelter that they desire, but rather some limited grey matchbox shelter which this government says they should want to live in. Too often I hear politicians and bureaucrats say that the cost of land, labour, capital, and taxes makes it unrealistic to expect that most young Canadians will ever have an opportunity to own their own homes. Governments then, given this premise, began to mass produce multiple matchboxes in order to meet dwelling number targets. This process needs to be reversed.

I say to young people, "Yes, within the productive span of your life, if home ownership is your goal, and I hope that it is the goal of every young Canadian, then the opportunity for you to reach that goal will be made available to you." We are a nation of vast opportunities and a nation with all the raw materials required for the building of housing to meet this objective of young people. We have much lumber for our houses, in fact so much that we export most of it. We have iron for nails, and sand for glass and insulation, and we have skilled labour, much of which sits idly unemployed. We have all these things in a country with one of the highest per capita incomes in the world. Of course we say, "Young man, go out and build your house; build a home in which you can raise a family and help to build this country. You can do it," we say to our young people, "that is provided, of course, provincial, municipal and federal governments and bureaucracies can be cleared out of your way."

My father built his first house out of prairie sod. My grandfather built his first house out of the rocks he picked off the land before he began to cultivate it. Believe it or not, somehow my father and my grandfather managed without the help of a zoning by-law, a land-use contract, a design panel, a building permit, a certified architect, an engineer, an electrical inspector, a plumbing inspector, and a framing inspector. Somehow they even managed without underground wiring, ornamental street lighting, 66-foot paved roads and five-foot concrete sidewalks. In fact, believe it or not, they even managed to move into their homes without first obtaining an occupancy permit from the local government.

Naturally they had other hardships. As well as governments and bureaucracies to do without, they also managed to do without paying 45 per cent of their disposable income to the government in taxes. Although it has, of course, had a few wires and central heating added, my grandfather's house still stands today, a symbol of individual initiative and integrity of both those who dreamed it and those who built it, and I can assure this House that my grandfather's house will be standing long after these AHOP disasters have crumbled into dust.

I am not suggesting that we go back to those days as such, obviously not. What I am saying is that government bureaucracy and over-regulation have destroyed individual initiative, incentive, and inhibited the individual's capacity to build. Integrity and quality craftsmanship, so lacking in today's AHOP home, are not values that are necessarily dead. They are in fact taught and learned values that can be rekindled. In our time integrity and quality craftsmanship can best be ensured through the principle of builders' long-term guarantees or warranties, as opposed to expensive, sand in the gears government inspection and regulatory bureaucracies.

My colleague just spoke and said a lot of faults in AHOP housing units relate to the fact that inspection was inadequate. We would not have required that inspection if, in fact, those houses had warranties with them, and had builders who were willing to stand behind their products. That is the kind of thing we need, not more and more sand in the gears bureaucracy which requires inspection after inspection after inspection. We require builders with integrity who will provide guarantees and stand behind the houses they are building.

• (2110)

The expression buyer beware can be made more meaningful through consumer education in the longer term, and in the shorter term moral suasion could be used, in other words the withdrawal of funding from offenders. We have heard tales here tonight from Newfoundland and I will be telling of people in British Columbia who have built their homes, and have tried to call the builder only to find out that the builder has moved on. We need a new bankruptcy act to prevent that old shell game.

We also need measures that will strengthen buyer protection. Mortgage money could be facilitated through a mortgage exchange corporation and by allowing and encouraging insurance, trust and pension funds to expand their investment portfolios into mortgages. More disposable income could be put into the hands of buyers through mortgage deductibility. Bureaucracy could be dismantled and deregulated, and duplication of effort between governments could be negotiated out of existence. I say, "could be". Apprenticeship programs and school curriculums could be revamped to create more competent and knowledgeable craftsmen. Municipalities could be assisted in land assembly, in the financing of trunk sewer and water lines. And the list of what could be done goes on and on.

Instead of the government trying to create an environment wherein the individual is competent to buy or build his own home, an environment where individual enterprise finds incentive through removal of government barricades and the availability of capital, particularly capital from the private sector, the government continues to interfere in the market place with consistent bungling and blundering. The AHOP program has to be the most classic example.

I would like to tell hon. members of a couple of such examples which exist in my own community. I met John Godmaire of Surrey the other night just as he was preparing to take his son out to the scout troop which he leads. John took me through his house and showed me the wall between the kitchen and the living room and how that wall had pulled away from the ceiling and dropped. I have seen normal settlement to the extent of a hairline crack along the top of the plaster or which necessitated some minor adjustment to the wall, but what I saw in John's house was that the wall between the kitchen and the living room had dropped more than one inch. This house is an AHOP house, and this was only one of the problems.

In addition to the wall falling, the conduit wire leading from the electrical heating unit was drooped over the copper water pipes. This wire came down from a register through the floor and was wrapped completely around the copper water pipe tubing. The copper water pipe tubing, by the way, was wet with condensation. One does not have to be an engineer to know the danger which is inherent in that type of construction. I cannot understand how it could have happened. I cannot understand how a builder could have been so negligent, let alone it being inspected. No one could have inspected this house, because it just is not possible. The next door neighbour could not have inspected it.

Mrs. Pigott: The dog did not inspect it.

Mr. Wenman: No, the dog did not inspect it, because even a dog would have known better. The wiring which should have run through the plates and through the studs, instead was jammed in right behind the plaster board, and the plaster board was bulging out. Not only was the plaster board bulging, but it was absolutely wet from condensation. The windows were frosted over. I once lived in an older home on the prairies and I can remember waking up in the morning to find frost a half inch thick on windows, and I took it for granted that houses were built that way. But a modern house built today should not have an inch of frost on the windows, especially if it is a house located in British Columbia where the climate is not very cold and where there is very little frost.

I have documented this case and I have slides to illustrate this disaster. There was inadequate ventilation. The previous speaker talked about the phone which pulled out of the wall. In this case there was a railing going down the stairs which was merely screwed into the plaster board. There were no studs behind the screws, and the first time someone walked down these stairs they put their hand on this rail and it fell off. They were lucky they were not injured. These are little things which a contractor with any skill at all would have seen and corrected.

All John wanted for his family, Mr. Speaker, was a decent, sound, but inexpensive home in which to raise his family, and built in such a way so that he could go out at night and get involved in the community and the organizations, to work in a very good way and be the good kind of citizen his parents taught him to be. All he received, however, was a compounding debt, a depreciating investment, and shoddy, cheap and inadequate workmanship.

Mrs. Pigott: Liberal workmanship.

Mr. Wenman: Yes, Liberal workmanship, the responsibility of this government and of this minister opposite.

Mrs. Holt: Is the government also to blame if a marriage breaks up?

Mr. Wenman: I am glad that the hon. member for Vancouver-Kingsway (Mrs. Holt) has put her remarks on record in my speech, because I am going to send them out to British Columbia and say, "That is the attitude this government has." That is why these houses are built in this manner, because of this kind of sarcastic, non-caring attitude. Is she intending to go out and fix this house? I invite you to come to Surrey with me and I will show you this disgrace because I would like to see what you would do about it. Will she stand up and speak—

Mr. Deputy Speaker: Order, please. I would invite the hon. member to address himself to the Chair.

An hon. Member: Who built the house?

Mr. Wenman: Listen to the sarcastic ministers over there and let *Hansard* record their response.

Sheridan Myers is a railway worker in his late thirties and father of three young children. Sheridan and his wife Betty, salt-of-the earth Canadians, assumed a $39,500 mortgage plus a CMHC loan of $5,900 to buy their AHOP home in Mission, B.C. They put in a great deal of gardening, and they really worked hard and cared for their house. If one walks into that yard, they will see the loving care which went into that garden and how they tried to make that house in such a way that they could be proud of it as most Canadians want to be proud of their house. After a great deal of hard gardening and $17,000 in monthly payments, Sheridan and Betty found that CMHC was selling houses which had defaulted under AHOP next door, the same house that they had paid $39,500 for was now going for $32,000. Next month Sheridan's monthly mortgage payments will go up to $408 and then up by another $120. Unfortunately he finds himself temporarily unemployed, like thousands of other Canadians. He had great hopes for his home; then he found that his payments would be going up and his disposable income going down.

The frustration of Sheridan is undoubtedly shared by many AHOP home owners whose incomes are not rising with inflation and whose equity is falling. Up until a few months ago the Vancouver CMHC office did not have a market analysis branch, so 15 per cent of the units built between 1973 and 1978 are unsold today.

Mrs. Pigott: Would you say that again?

Mr. Wenman: It amounted to 15 per cent of the units built. It is not a one-year mistake, but they kept making it year after year and, as a result 15 per cent of the units built between 1973 and 1978 are sitting unsold.

Mrs. Pigott: Empty.

Mr. Wenman: As a result of the overbuilding and the inflationary price rise in moderately priced housing due to AHOP, people who bought an AHOP home have no equity at all despite having made payments of several thousands of dollars.

To add insult to injury, CMHC sold a house in Sheridan's development, the same type of house for which he paid $40,000, for $32,000. Two weeks later the speculator who bought the house for $32,000 sold it for $37,000. The government gave away $5,000. Fortunately, Sheridan was able to sell his house for $38,000 and get out with only a slight loss—a slight loss in dollar bills, but what kind of a loss in human and social circumstances? What kind of loss of hope for him? He took the responsible attitude. While so many others just walked out of their homes and left the government with the burden, he stayed and paid.

• (2120)

I ask you, Mr. Speaker, what is going to be done about this nightmare? The Sheridans and the Johns and thousands of others across the country are disappointed, frustrated, bitter. The builder does not seem to care. He has received his money and has probably started a new project under a new company name in order to escape the responsibility for poor workmanship. He says, "That company is now broke; we cannot guarantee your warranty or bring your house up even to the basic standards." After the fact, CMHC comes in and says there is nothing they can do because the builder is now bankrupt—or says he is. When they are told the builder is in business across the street they reply, "There is nothing we can do about that; that is a different company." The builder does not care. He is not going to do anything for them. He is not going to take that wire and unwrap it from that water pipe; he is not going to fix that rail on the wall.

What about the lender? surely the person who put up the money is concerned about the shoddy job? The lender pays little attention. He has not bothered about the risk because, if they walk out, what is the difference to him? Central Mortgage and Housing has guaranteed his risk. The person who loaned the original money does not care and is not going to put any more money in the house. When he gets his out, that is all he cares about.

Central Mortgage and Housing should care, but they cannot do anything about it. They do not really care because they can go on subsidizing with magnanimous indifference. They can subsidize again and again, pick up loss after loss, then walk out of it. What are we left with, Mr. Speaker? The person in the house has been done a serious wrong. He knows he has been wronged, and every Liberal on the other side of the House knows that the man I speak of has been wronged. Mr. Speaker, you know he has been wronged.

Mr. Lalonde: Do you?

Mr. Wenman: You are darned right. Mr. Speaker has been paying attention and he knows. If the minister has not, he should. I hope he knows, because I would not want Mr. Speaker to get caught in one of these AHOP housing deals and

see it fall around him. Mr. Speaker, you had better listen. You had better pay attention.

We leave the poor Central Mortgage and Housing person—

Mrs. Pigott: And the Minister of Justice (Mr. Lalonde) laughs.

Mr. Wenman: Of course the Minister of Justice (Mr. Lalonde) laughs. He sees no injustice in this.

Mrs. Pigott: He does not care.

Mr. Wenman: He does not care. He lives in a big house. Why does he not listen to his constituents and hear some of these people cry? They do not have a bank to go to for credit. Their credit is being destroyed and they have to walk out of these houses. To appeal, they go to Central Mortgage and Housing where the poor civil servant is left holding the bag behind the desk. He hears their complaints and makes some suggestions, but the suggestions are no good because he cannot give them money or rebuild their house. He can do nothing for them. The government leaves the poor civil servant to take all the flack and all the agony of these people.

I hope that everyone sitting in an AHOP house tonight that is built in an inferior manner will hear me and go and see their member of parliament, or write to the minister or to the Prime Minister (Mr. Trudeau), inviting them to come and see their houses. I hope every one of them will do that. They should not call Central Mortgage and Housing but rather their member of parliament so that we can get some action on the floor of this House right now.

Mrs. Pigott: Call the Minister of Justice.

Mr. Wenman: Call the Minister of Justice and say, "Where is this just society?" The only just opportunity is just an opportunity to make extra payment.

An hon. Member: That is silly.

Mrs. Pigott: It wouldn't be so silly if it was you.

Mr. Roy (Timmins): You are worse than he is.

Mr. Wenman: Mr. Speaker, I am glad that the government and the future opposition thinks I am terrible. I am mad, Mr. Speaker. I am mad as can be that these poor, honest, upright Canadians are carrying the bag for this government once again. I can tell you it is so.

An hon. Member: What nonsense.

Mr. Wenman: If the government thinks it can sweep this problem under the carpet by simply terminating the program and omitting any corrective response in this legislation—if it thinks it can get away with that, it is mistaken. Some 130,000 homes were built under the AHOP program of which perhaps 53,000 are still empty, and more are becoming empty every day as people walk out of them.

Some Canadians are still satisfied because, fortunately, within that 130,000—and not because of the government—there were some responsible builders who wanted to make sure the quality of their houses was good. They built their houses strongly and well. If some houses can be built strongly and well for $47,000 in Vancouver, there is no reason why the house next door cannot be built to the same standard for the same price.

Many thousands of builders are unhappy, and many thousands of owners in AHOP houses tonight are unhappy. Many realtors are also unhappy. Their name has been sullied because of the houses and they are now taking the flack. They are just beginning to understand the problems. The walking out is just beginning. The problem will not go away, Mr. Speaker. Corrective measures will have to be taken by this government. Who will do the repairs or finance the corrections that are required to John's home and his neighbours' homes? Will these Canadians have to learn the hard way that their fate in the Liberal government was misplaced?

I should like to quote from an interview I had with Mr. Myers when I asked him:

Is this story that you're telling me your story only or typical of all the people in this subdivision who are having the same problem?

He replied:

That's right. If I walk away from here I'm just out and I have to rent for the rest of my life or until five or six years is up and they forget about my credit.

Well, there are a lot of people who have put a lot of work in a lot of houses. You look at some of them . . . These are the people who are staying here and they are the people who are going to shoulder it and by rights we have just been taken to the cleaners.

I then asked him:

In other words, you are going to carry the mistake of the government. The government won't lose but you will.

He replied:

Yes, isn't that the way it always is?

Mr. Speaker, that is the way it always has been. That does not mean it is the way it is going to be or the way it has to be. If this government will not make the corrections in the next few days in this House, then they will have to be thrown out of office. Let this be one of the reasons that they are thrown out. Let the Johns and the Sheridans stand up and say they have had enough of this government.

Mrs. Pigott: We will make it right.

Mr. Wenman: We will make it right. We will not leave the people to carry the burden of the government.

Mrs. Pigott: We care. They do not care.

Mr. Wenman: The AHOP program was predicated on three factors, first, that inflation would assure that the value of a house would rise rapidly; second, that an individual's disposable income would increase, and third, that market demand would be such that an oversupply would not result and therefore devalue the price of AHOP homes. None of these factors turned out to be true. Inflation rose but house prices generally,

and specifically AHOP house prices, dropped. The individuals' income rose but so did his taxes. The hon. member who spoke ahead of me dealt with how taxes have risen. The taxes rose, the government failed to pay them, and now the owner is supposed to pay a penalty on top. His family expenses that were supposed to be in control relative to his disposable income have increased. In fact as his family grew it probably became more expensive to keep them month after month, not less expensive. His monthly house payments increased faster and faster as his disposable income failed to increase.

Market demand for all types of housing, particularly AHOP, softened, and because AHOP was the only game in town supply outstripped demand, lowering the value of AHOPs already purchased as well as over saturating the market with a product for which there was declining demand. The odds were stacked against the Sheridans and the Johns from the beginning because they had to bet on inflation. Their purchase was predicated on factors that might not necessarily occur and that in fact that did not occur.

The Fraser Institute of Vancouver did a critical study of AHOP houses. The results were very negative, Mr. Speaker. The major drawback to the program was the fact that in many instances interest indebtedness accumulated faster than principal payments. Because of this the borrower's underlying security might be marginally in excess of his total liability.

● (2130)

Let me give you a specific actuarial example. I have given you first of all the humanistic example of John and Sheridan. I have told you about their individual problems, and generally how they repeated them to me. But this is how accountants look at the matter. For example, take a housing unit costing $47,000 to purchase, with a $45,115 mortgage. The borrower, at the end of the first year, would have paid $5,210.76 in monthly mortgage payments. Of that amount $361.92 would be applied to the outstanding principal, leaving a balance of $44,753.08. This would be somewhat less than the original $45,000 the borrower paid. Meanwhile an interest reduction loan would have been secured during that same period. That is where the catch comes in. An interest reduction loan of $1,080 is secured bringing his total liability at the end of the first year to $45,833.

It is hard for the man in the street to realize that he can buy a house costing $45,115 at the beginning of the year and at the end of the year, after having paid $5,200 toward it, he suddenly finds he owes more than he paid at the beginning, which was $45,833. In the second year the outstanding mortgage balance would be $44,303 while his interest reduction loan would be increased to $1,944. This now brings the total indebtedness to $46,247. Bear in mind the original cost of the house was $45,115. By the end of the fifth year the mortgage outstanding would have decreased $42,769.23 while the home owner's total liability, which included the interest reduction loan of now $3,240, would be $46,009. After five years the owners' equity in the House would in fact be less. Fiver years later, after he has paid his payments faithfully month after month, he now owes $46,009 on a house which he purchased originally for $45,115. He now wonders how that is possible.

Then comes the tragedy that this $45,000 debt has dropped in value to perhaps $32,000. If that is the case, as it was in the example I stated, the man has lost $16,000. He cannot reclaim it. He is stuck. He cannot move. All he can do is walk out, and leave the government holding the bag. At the same time he will be ruining his credit and losing hope of owning a home. We might say "Buyer Beware. He knew what he was getting into." But unfortunately Canadians do not understand the whys and wherefores of mortgages. What he got into was government deception. This situation occurs in all cases unless houses of this type appreciate in value.

This combination of rising total indebtedness with a minimum downpayment could place purchasers who are forced to sell in the untenable position of having insufficient equity to handle the transaction costs which include lawyers fees and agents costs. In other words, to get out of the situation, even if the individual walks out of the house, and tries to sell, he must still pay agents and lawyers fees over and beyond the debt he has accumulated on the housing unit.

A few years ago when housing prices were generally increasing, this was not a problem. If householders could not keep up the payments because of a change in economic circumstances, such as the loss of employment or perhaps lower than expected income increments, or perhaps they experienced a shift in social arrangements, for example, divorce or separation, these owners could just sell. But now with stable or depreciating house values in some markets, owners will have little in capital value on which to fall back.

As one builder who was delighted to sell his units by first renting them, said, "I know some of these families just have enough income to pay rent in much lower priced accommodation. There is no way they can handle the basic monthly mortgage requirement on a $47,000 home, much less all the other costs of home ownership, such as taxes, heat, water, and minimum maintenance, so I am happy to sell my units. But how the government can be a party to this is beyond me." How can the government allow someone to get so far over his head?

The combination of unsatisfactory improvements in equity and limited down payment—in Canada 86.4 per cent of AHOP purchasers secured ownership on the minimum downpayment of 5 per cent or less—left marginal purchasers with very little cushion and less opportunity for error. The hope, and for that matter their collateral, was the possibility that their homes would rise at a rate equal to or in excess of the rate by which assistance was withdrawn. Backing their trust in the future was an unwillingness to believe that anything could go wrong. People believed that somehow this government would give leadership. These people went along with the blind faith that nothing could go wrong. A program was set up on that basis. People surmised that property values would surely increase sufficiently to offset increased liabilities. One might have thought so, but practice has proven otherwise.

Again, to correct these weaknesses, the government revised the program. They have revised it so many times that not only

do the home owners not know that they are doing but neither does Central Mortgage and Housing, nor this parliament, nor the minister. No one knows what is going on. The person who knows is the individual who sees his house crumbling beneath him. He is the one who sees his debt increasing, his payments increasing, and the value of his house dropping. But they do not care.

An hon. Member: The hon. member for Timmins (Mr. Roy) does not care.

Mr. Wenman: Does the hon. member for Timmins (Mr. Roy) care? I hope he cares but I hear him say that he does not care. Perhaps hon. members say people should look before buying.

An hon. Member: He does care.

Mr. Wenman: He does care.

Mr. Roy (Timmins): Mr. Speaker, I rise on a point of privilege. I hope that the hon. member for Ottawa-Carleton (Mrs. Pigott), who is the official critic for the opposition, could at least have the courtesy of not following members around as they speak just to get a few cheap political points on television.

Mr. Wenman: Mr. Speaker, I am rather surprised the hon. member did not stand up to say that he, as a Liberal, cares about these people. But he stood up to care a little bit about politics. He has just made his maiden speech. I hope the hon. member and some of the other Liberals will care enough to stand up and speak out against the problems of AHOP housing. That is the kind of standing up that is demanded in this House. Stand up for these little Canadians and show them you care.

I could talk about the problems of AHOP 1978, but I see that I am running out of time.

An hon. Member: Take all the time you want.

Some hon. Members: Oh, oh!

Mr. Wenman: Listen to them over there. I say that I am running out of time, and they say good. I am pleased to hear hon. members say that, because they are worried. They know it hurts and they know I am right. They know there are thousands of people across Canada who are living in AHOP houses saying tonight, "Maybe we can get some help yet. Maybe there is some hope, and maybe things are not at a dead end." But hon. members over there do not care. The Liberals do not care.

It is evident that several families will be in a no-exit situation in these AHOP homes unless there occurs what a Central Mortgage and Housing Corporation official prescribes. This is the answer of the government. This is what Central Mortgage and Housing says, "Home owners, don't worry because there may be a sudden gust of inflation or a sharp reversal of present economic trends." I do not expect there will be a sharp gust of inflation. But the official was right when he said there will be a sharp reversal of economic trends. That sharp reversal will come when the government on the other side is replaced.

For some home owners just walking away is cheaper than sticking around to try to pull out of the financial quagmire. The more vexing question is what will CMHC, as the carrier for insurance for nearly 100 per cent of these loans, do? The AHOP default rate is now running at 10 per cent and growing. What will they do with 15 per cent or 20 per cent? The minister hides the figures. I tried to get them for two years and could not. Either they did not know or they were hiding them.

• (2140)

If a 10 per cent default ratio is any indication of what can be expected under more severe economic conditions, CMHC will no doubt find itself with thousands of unwanted and unpaid for homes sitting on their doorstep. Since the only way to minimize this eventuality is to improve the marketability of AHOP units, they are trying to devise other items like graduated mortgage payment plans. That is just trying to buy time. It is trying to buy the people beyond an election, letting them think that they will somehow, through some magic formula, not have to pay the whole price of a house, that they can delay the payments forever, not recognizing that all it means is that their debt and interest are piling up greater and greater and they are getting further and further in. I can see the former minister smiling.

Mr. Danson: I am not smiling.

Mr. Wenman: No, he is not smiling; he is crying. He should be crying because, unfortunately, he devised the program. I hope he is crying as he is listening to this speech. If he is crying, it may be that he cares a little bit, and that is what Canadians want to see from that side of the House, a little bit of caring, a little bit of correction.

What are they going to recommend now? Who is going to rebuild these houses. Who will finance them? Will they do something constructive like set up a bit of a fund and allow the people to repair their own homes to bring them up to a minimum, not maximum, CMHC standard? Will you give John Godmaire enough just to correct the mistakes the CMHC inspector did not see? Will you let him pay an electrician to come in and take the electric wire that is wrapped around the copper pipe with the water dripping from it, and change it so that his family can be safe and the house will not burn to the ground with the family in it? Will you do that little bit?

Don't just sit there shouting at me to tell you what to do. I am giving you some ideas. Where are your ideas? What are you going to do? You created all of these AHOP problems; how are you going to get us out of them? Don't delay the graduated mortgage program. Don't wait for a gust of inflation. Let's not keep hoping on the false premise that destroyed the program. It has not worked. Do not keep hoping that some day there will be a reversal and one day they will come through.

Don't just shove this program under the carpet. Don't just tell the people not to worry because we do not have AHOP any more and, therefore, there will be no more AHOP mistakes. That is what we keep assuring the people. What about the 130,000 homes already built? What about the 53,000 unoccupied? What are you going to do with them? What are you going to do for these people?

I agree with the hon. member for St. John's West (Mr. Crosbie) that this bill should not go through this House until the government has come up with a method to help these people who have been cheated and deceived by this government, and who are receiving inferior workmanship and craftsmanship. I do not ask you to rebuild the houses. Just work a little bit on the ventilation and the heating.

Just give these people a little assistance and they will stay in their homes. In spite of the mistakes that have been made by the government, they will stay in them. They will care. Stop the roof from leaking and they will stay in the home. They would make the repairs, but they do not have the money to do it. The reason is that their monthly payment is going up this month to a rate they cannot afford because their disposable income did not reach that much this month.

Mr. Deputy Speaker: Order, please. I have to interrupt the hon. member because his time has expired.

Mr. Wenman: I would ask for unanimous consent to continue because this tragedy is continuing in this land.

Mr. Deputy Speaker: Is there unanimous consent for the hon. member to continue?

Some hon. Members: Agreed.

Some hon. Members: No.

[*Translation*]

Mr. Pinard: Mr. Speaker, I rise on a point of order. After consultation, there seems to be agreement on three very specific points. First, it is felt the debate on second reading on Bill C-29 is over; second, the motion for second reading will not be put tonight; and third, calling it ten o'clock.

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, there have been some discussions to this effect. We think it would be all right to go along.

Mr. Ellis: Mr. Speaker, we agree that would be a reasonable course.

Mr. Deputy Speaker: Am I to understand that I am not putting the question tonight but calling it ten o'clock, that it is agreed and ordered that the next time this order is brought before the House, the question will be put immediately on second reading? Is this agreed?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It is so ordered.

[Mr. Wenman.]

[*Translation*]

Mr. Pinard: As the hon. member for Central Nova (Mr. MacKay) is on his way to the House and is not here yet, and the hon. member for Winnipeg North (Mr. Orlikow) is here, in view of the hour I ask for the unanimous consent to proceed with the third motion, that in the name of the hon. member for Winnipeg North, and then come back to the others after. While I was speaking, Mr. Speaker, the hon. member for Central Nova came in so we can proceed with the first.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

NATIONAL REVENUE—REASON DETAILED INCOME TAX RETURNS PLACED IN CUSTODY OF STATISTICS CANADA

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, as far as the response to my question regarding the Statistics Canada matter on February 23 was concerned, the minister stated at that time "our files are kept in strictest confidence". That may be true if you conveniently forget the fact that there is an ongoing responsibility for the files and the data under Section 23 of the Statistics Act, and while the minister in charge of Statistics Canada has acknowledged this from the beginning, the Minister of National Revenue (Mr. Abbott) seems more concerned with trying to evade his responsibility which is clearly set out in Section 23 of the Statistics Act.

The Minister of National Revenue should keep in mind that it is not that long ago that radio personalities were able to extract taxpayers' information from computers under the control of his department. Others share my misgivings, including the prestigious and respected Edmonton *Journal* which, in an editorial only a few days ago, made the following comment:

> The prospect of Tory MP Elmer MacKay rooting through confidential government documents probably gives the Trudeau government nightmares.
>
> What he found last week in the basement of a Statistics Canada office building ought to give us all a nightmare: 60 cardboard boxes full of tax returns and other documents, all marked "Confidential—to be destroyed."—
>
> Industry Minister Jack Horner's observation in the House of Commons that "(Statistics) are taken and collected under the strictest and most confidential methods possible" may be quite correct. It's what happens later that has us worried.
>
> Deputy Prime Minister Allan MacEachen's promise to investigate the incident was vital, as will be the government's assurances that Mr. MacKay's discovery revealed an isolated lapse of security that will not be repeated.

● (2150)

Canadians are concerned about Statistics Canada's incessant demands for information, its legal right to compel responses and the expanding use of social insurance numbers for identification. Proper guarantees of confidentiality are

timely and a prerequisite if this information-gathering system is to continue to function.

The Minister of National Revenue (Mr. Abbott) has another responsibility. I am quoting from the Statistics Act, Section 23:

For the purposes of this act . . . the Minister of National Revenue shall cause to be sent to the Chief Statistician returns of imports and exports into and from Canada and details of the means of transportation used therefor, in such manner and at such times as the governor in council may prescribe upon the recommendation of the minister and the Minister of National Revenue.

I think it is important that the Minister of National Revenue, who is obviously making attempts to establish himself as a cutting and controversial figure, as evidenced by the memos he writes to himself, is spending more time trying to play Tiny Tim to his seatmate Burt Reynolds that in trying to get to the bottom of some of these difficulties mentioned in the Edmonton *Journal*. It is obvious, when you look at the data which has been supplied to the then minister over the years, that there has been an ongoing lapse of responsibility not, I suggest, as it has turned out, by the incumbent as far as the Minister of Industry, Trade and Commerce (Mr. Horner) is concerned but basically by the personnel and indirectly by the minister responsible for Statistics Canada.

I have here a report sent to the then minister some years ago by a man who is still, I believe, in the employ of Statistics Canada. It is a very comprehensive report and it deals with the types of security procedure which have been found so wanting recently. It talks about the storage and security of mental health statistics documents, it deals with the question of whether security precautions are necessary, it covers several pages, and I intend to make it available to the minister so that he can endeavour to find out what happened to this document which was submitted on August 22, 1966, outlining the same conditions as are causing Canadians such concern today.

This situation did not arise yesterday. Mental health records which are demanded by Statistics Canada are another matter of great concern, probably of even greater concern, on balance, than income tax information. I want to talk about the situation in which a letter was sent to a former minister, Jean-Luc Pepin. It stated that cards dating back to at least 1931 had been kept in an unlocked, unguarded room. This is in the same building as the forms I came across were in. They were piled helter skelter, freely available for inspection by any citizen. More recent cards have been stored in unlocked filing cabinets.

In 1968 the health and welfare division of DBS moved to No. 5 temporary building, the letter goes on to say. Some mental morbidity cards were stored in a room even though a vault was available a few feet away. More current cards were kept, as before, in unlocked filing cabinets. The door to room 2141 was kept open. A few flimsy cardboard boxes, lids open and containing notifiable cards, were also kept in this room. The question is, what has been done and what is the Minister of National Revenue going to do to exercise his responsibilities under the act. I see you are about to rise, Mr. Speaker. Has my time expired?

Mr. Deputy Speaker: The hon. member's time has expired.

Adjournment Debate

[*Translation*]

Mr. Yves Demers (Parliamentary Secretary to Minister of National Revenue and Minister of State (Small Business)): Mr. Speaker, as the minister reminded hon. members this afternoon, under the law Statistics Canada must have access to tax returns and the underlying principle of that requirement should be easily understandable.

In our system of government, Statistics Canada is the agency responsible for gathering and publishing statistical information on all aspects of Canadian society. The federal government, provincial governments and the private sector need reliable information on hundreds of aspects of our society.

The most important measure for a society is no doubt its income and the distribution of that income. Personal and corporate income tax forms sent to National Revenue for tax purposes are the best and most reliable source of information on incomes. If Statistics Canada were forbidden access to those returns, that agency would have to make major and costly surveys to gather the same information once again.

The general principle of the Statistics Act and even of the Income Tax Act is that an individual's business is his own business. If an individual has to provide information for tax or statistical purposes, the government must make sure that information is not made public.

On the other hand, governments and other organizations need over-all revenue information developed by the statistics system from income tax returns.

Therefore, parliament in its wisdom specifically provided that:

The chief statistician or a person so authorized by him may examine all reports, certificates, statements, documents or other records obtained for the Minister of National Revenue for the purposes of the Income Tax Act.

But since parliament also had a concern for the confidentiality of information submitted to Statistics Canada, it provided further that such information, when communicated to Statistics Canada, are subject to the same security rules as applied when they are collected.

Clearly, Statistics Canada employees must comply with the drastic confidentiality rules set under the National Revenue Act, which sets up penalties for officials or authorized persons who knowingly communicate or allow to be communicated information obtained for the purposes of the National Revenue Act.

For this reason Statistics Canada only publishes information on group revenues, without disclosing individuals' fiscal information. Those are legal provisions set forth in the National Revenue Act and the Statistics Act.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but his time has expired.

Adjournment Debate

[*English*]

POST OFFICE—STEPS TO IMPROVE DOOR TO DOOR DELIVERY

Mr. F. A. Philbrook (Halton): Mr. Speaker, a few days ago I asked a question of the Postmaster General (Mr. Lamontagne) on door to door mail delivery, a problem which in the last two or three years has become a festering sore for myself and my constituents. I must say that the Postmaster General has been very understanding and very supportive on this point. I am glad to see in the House tonight my good friend and colleague, the Parliamentary Secretary to the Postmaster General (Mr. Collenette), to respond to my question.

● (2200)

Essentially the answer was that there is the problem of restraint in government spending, as we have been told before. We all appreciate this, and we all support the concept of government restraint. But in this case the problem is somewhat different from any other. It is the question of a basic service that is not being provided to some Canadians. Also, there is the question of reallocation within particular departments. In this case it is the Post Office budget. Perhaps these things are not easy, but they are not impossible.

This situation is a rather unfortunate one in a number of ways. The business of not providing door to door mail delivery to some people, when the majority in the same area or neighbourhood are receiving this service, must be called discriminatory. In fact these people are making contributions to society. They are paying their taxes through the same tax system, but they are not receiving the same services which their neighbours receive who, in many cases, are just across the road. This is unfortunate in a time when we are concerned about the high unemployment rate, and when there are many, many programs at great expense to create employment, sometimes with difficulty. This is a natural situation in which to help the employment situation with the hiring of more letter carriers. This type of work is considered regular in our society. It would not be a short-term artificial creation of jobs through job creation programs. Also, there is a general feeling about the postal service these days. Admittedly there have been many problems, but in the case of door to door delivery it is an area which can be remedied easily.

I am informed the total cost would be approximately $24 million to hire enough extra letter carriers across the country to provide service for everyone. That may seem like a lot of money in individual terms, but it is relatively modest and not a large sum in terms of total government spending which amounts at the federal level to somewhat over $50 billion. There are a number of areas of possible savings. Many job creation programs come under the Department of Employment and Immigration. Of course they could be rearranged to provide some or all of this money. Something unusual which happened recently in government programs—and coincidentally the amount of money would be the same—was the proposal to provide perhaps $18 million to $20 million for professional NHL hockey arenas. It seems that is not a matter of very high priority, certainly not compared to providing regular mail service.

All these matters would apply especially to constituencies like Halton. It is a typical suburban riding with a great many new addresses, subdivisions, and people upset about not receiving door to door mail delivery. The people of Halton voluntarily and good naturedly gave up the government job creation program, Canada Works, with the idea that it was not needed there as much as in some other areas. Yet, door to door mail delivery is an area of particular need. Other members of parliament have expressed this concern and have suggested remedies.

I feel justified in speaking at this time during adjournment debate because I have spoken at all levels: in this House, at various caucuses, and so on. We are at the point where something must be done. At this time of year there are more complaints because of the weather, the breaking up of winter. This is particularly difficult for old people and young children. For example, today I received a complaint from a constituent who said, "If we cannot get this kind of help, at least let's make the most of the situation."

● (2205)

Could some level of government perhaps not provide platforms, catwalks, wastebaskets and this type of thing until we can hire more letter carriers? The Postmaster General in his answer to me said this was a matter of high priority for him, and it was simply a matter now of money. He said it was up to the Treasury Board and the cabinet, and people are becoming very impatient, with good reason, some having waited up to two years. Some MPs suggest even longer. I think now it is time to stop talking about it, and time to act. I hope the parliamentary secretary can help in this respect. I hope the President of the Treasury Board (Mr. Buchanan) takes particular note.

Mr. D. M. Collenette (Parliamentary Secretary to Postmaster General): Mr. Speaker, I thank the hon. member for Halton (Mr. Philbrook) for his concern in respect of this particular matter. I am not sure my answer this evening will do anything to allay his fears. In a sense he answered the question in his own statement. I am not sure what encouraging words I can give.

It is well-known that suburban areas in this country have expanded rapidly in the last three or four years, and generally in these new developments there are alternative services to door to door delivery. These services take the form of group boxes or general delivery. Therefore, the people living in these area like Halton are not without mail service, they merely have a different form of the service. It is obviously not the best service that we could hope for, but certainly it is the best possible service the Post Office can provide at this point in time while the Post Office takes steps to make improvements which Canadians in the rest of the country desire.

Though it is not possible to make any definite announcements at this time, the Post Office is looking carefully at those

areas in Canada which are most affected by the restraint on door to door delivery with a view to providing whatever service we can, best suited to each community. The Postmaster General (Mr. Lamontagne) is not insensitive to the hon. member's respresentations or those of his colleagues, the hon. member for Peel-Dufferin-Simcoe (Mr. Milne), the Minister of National Revenue and Minister of State (Small Business) (Mr. Abbott), the Minister of State (Multiculturalism) (Mr. Cafik), the Minister of National Defence (Mr. Danson), the Minister of Labour (Mr. O'Connell), and others from the metropolitan Toronto area. There are many in the suburban fringes of Toronto who are faced with the same problem as the hon. member for Halton. Perhaps it is most acute in Halton, but it is something about which the Postmaster General is most concerned.

The problem the hon. member raised is one which I know the minister is looking at most seriously. We are trying to juggle resources in order to come up with some effective compromises. There are Canadians right across the country, not just in the metropolitan Toronto area, who do not have door to door service. The minister has mentioned on several occasions that the policy is national in scope and affects the ridings of many hon. members. I am sure the hon. member for Halton appreciates, as do most Ontario members in this House, that individual regions cannot necessarily be treated individually. One must have a national policy and apply it right across the board. All members are familiar with the restraint program of the government which affects the expenditures of all departments. In the Post Office, unfortunately, it is most visible, because door to door delivery in areas which are beyond existing letter carrier routes are the services which are affected.

I would like to assure the hon. member that the government has been exploring ways and means by which to provide this very visible service, as it does affect every riding in the country. There are no funds available at this time, but the Postmaster General is taking the matter up with his colleagues, and hopefully something can be done to improve the situation in the very near future.

POST OFFICE—EFFECT OF CUTBACKS ON MAIL DELIVERY

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the question I asked on March 1 is very similar to the question asked by the hon. member for Halton (Mr. Philbrook). I put it to the Postmaster General (Mr. Lamontagne) in the following terms:

In every city in Canada there are tens of thousands of people living in newly built areas in the suburbs who do not get door to door delivery. Some of them have been waiting for three or four years.

I urged the minister to use his influence to try to persuade the government to allow him to hire people to deliver on a door to door basis; perhaps the 1,850 employees by which he proposes to reduce the number of employees in the Post Office department in the coming year.

● (2210)

The minister's answer to me was very much like the answer he has given other hon. members. He said as reported at page 3711 of *Hansard*:

—I am aware of the fact that many growing areas, especially suburban areas, are without door to door service. I am also aware that in Scarborough, Calgary and other areas there is restraint in door to door delivery. I can assure the hon. member, as I said before, that as soon as money is available it will be my top priority in these urban areas to give Canadians door to door delivery.

I am not satisfied with the answer which the minister gave to me or the answer which was given to the hon. member for Halton by the parliamentary secretary. The fact is that there are tens of thousands of homes across the country in suburban areas which are not getting door to door delivery. I have been told that in the city of Edmonton there are 35,000 homes which are not getting door to door delivery. In the city of Calgary there are apparently 18,000 homes which are not getting door to door delivery. In my city of Winnipeg there are between 7,000 homes and 8,000 homes which are not getting door to door mail delivery. I do not have the figures for other major cities such as Vancouver, Toronto, Montreal, Halifax or Dartmouth, but I am sure that we are talking of several hundreds of thousands of homes. The people who have purchased homes in the newer areas of cities, not just my city of Winnipeg, but in every city across Canada, pay substantial amounts of money for those homes. In the last few years these people have probably paid more money than people who purchased homes in the older parts of cities. I do not believe that the people living in the newer parts of the cities should be considered as second-class citizens, but that is how they are being treated as a result of this phony policy of restraint of this government.

The parliamentary secretary and the minister have said that these people have service because they have the boxes. I wish the parliamentary secretary would come to Winnipeg in November, December, January or February, because he would see the kinds of conditions which these people must put up with, the minus 30 degree temperatures, three feet of snow, and a 25 or 30 mile an hour wind. Going to the boxes for the mail is no easy chore.

There are also the cases where these people receive registered letters and, as a result, must trot down to some post office which often closes at 3.30 in the afternoon and, as it frequently happens, both the husband and the wife are working from eight in the morning to four in the afternoon. When there is a parcel these people with boxes often travel three, four or five miles in order to get it from some regional post office.

The parliamentary secretary in reply to the hon. member for Halton said that the people in Halton were not the only people adversely affected, and he is right. He said that this freeze was part of a national policy. I want to say to the parliamentary secretary that a national policy which provides for a freeze on the hiring of letter carriers after tens of thousands of people have moved into these newer areas is dead wrong. I do not accept, nor will I ever accept, that there are people in this

country who must be treated as second-class and third-class citizens.

The hon. member for Halton said that it would cost $20 million to provide letter carrier service for all the urban areas in Canada. I do not know if that figure is correct, but I intend to pursue that matter in the committee which deals with the estimates of the Post Office. However, the parliamentary secretary knows, as do myself and the hon. member for Halton, that there are many ways in which the government can save money if it must, but one of the worst ways of saving money would be not to expand the letter carrier service. I think that the people in the suburban areas, some of whom have waited as long as four years for letter carrier service, have waited too long, and I call upon the government to rescind the freeze order on the provision of letter carrier service, and to provide the people of these new areas with the same service as other urban citizens are getting from one end of Canada to the other.

Mr. D. M. Collenette (Parliamentary Secretary to Postmaster General): Mr. Speaker, I was quite prepared to answer the hon. member for Winnipeg North (Mr. Orlikow) on an entirely different matter. I assumed that he was raising this evening the question which he brought up last night at the transport committee meeting about the 136 letters which were addressed to NDP members and which took some time in arriving at their destination. The hon. member has not pursued that matter, but has reiterated some of the points which the hon. member for Halton (Mr. Philbrook) has made.

Mr. Orlikow: Which I made on March 1.

• (2220)

Mr. Collenette: Looking through the record I see that on February 22, I answered a similar question in response to the hon. member for Calgary North (Mr. Woolliams). It is quite apparent that there is a different approach to this from the three major parties in the House. My colleague from Halton was most reasonable in talking about the problem and understood the constraints upon the system. The hon. member for Calgary North (Mr. Woolliams) spoke on this a couple of weeks ago. The Conservative party talks restraint, but when it comes down to the crunch it starts talking about deficits and providing mail service, notwithstanding the restraint program of the government. This clearly shows where the real sentiments of the Conservative party lie.

Then, Mr. Speaker, we have the hon. member for Winnipeg North giving the NDP view. The NDP view is—it is the classic NDP approach—that because we have a restraint program and because we recognize that not all people are getting the same quality of service, some are automatically second class citizens. That is the way the NDP gets votes across this country—by creating class division. That is an approach that I completely reject, but it is typical of the New Democratic Party. They do not recognize that there is a certain limit to the financial resources of the country. During the minority government of 1972-1974, the NDP pushed the government into all kinds of costly programs from which we are now extricating ourselves.

I think the hon. member would do a much better service to the cause of providing adequate mail service and letter carrier service across the country if he would adopt the moderate approach taken by my colleagues on this side of the House, especially that of the hon. member for Halton, who recognizes the constraints on government spending. He recognizes that these are difficult economic times and there is not enough money to pay for all the services we would like.

We have been cutting back in health, in transportation, and in mail service. Since 1975 there has been constraint on the letter carrier service. It has been applied fairly and equally across the country. It is a shame that people on one side of a street in a settled part of a city like Winnipeg, and certainly Toronto, have door to door delivery, while people on the other side of the street have to go to the box.

Governing the country is a difficult business, Mr. Speaker. All kinds of interests have to be reconciled. The one solution of the NDP is to throw money around. There are a lot more services that I would support if we had the money—pension increases, for instance. I notice that the hon. member for Winnipeg North Centre (Mr. Knowles) is in the House. There are priorities, and we have to decide where to put our money. The Postmaster General (Mr. Lamontagne) realizes that proper mail service is fundamental, but he is operating within the general constraints of the financial restraint program. There are social programs and other programs of the government which certainly deserve the money equally, or perhaps more.

Mr. Deputy Speaker: Order. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the House adjourned at 10.19 p.m.

HOUSE OF COMMONS

Wednesday, March 7, 1979

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

ROLE OF PRESIDENT CARTER IN PEACE TALKS BETWEEN EGYPT AND ISRAEL—MOTION UNDER S.O. 43

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I have already discussed this matter with the Secretary of State for External Affairs, and I hope the House will give its unanimous approval. I rise under the provisions of Standing Order 43.

With Canadians being dedicated to the achievement of international peace, I move:

That this House commends United States President Carter for his courageous initiative in going personally to Egypt and Israel in his continuing endeavour to bring about peace between these two countries, and supporting his objectives, expresses the hope that through his unusual and statesmanlike endeavours a just and lasting peace will have been achieved.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. In order for this motion to be presented at this time pursuant to Standing Order 43 the unanimous consent of the House would be required. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion by Mr. Diefenbaker, seconded by Mr. Jamieson. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

PENSIONS

EMPLOYEES' PENSION FUNDS HELD BY CORPORATIONS—MOTION UNDER S.O. 43

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my motion under Standing Order 43 involves a matter of great urgency and has reference to orders in council of this government which permit Canadian corporations to alter the basis of pension funding by employers in this country by increasing assumed interest rates, thereby permitting a reduction of their liabilities to their own pension funds.

The Canadian Railways Employees Pension Association yesterday brought this urgent matter before a committee of the other place, and keeping in mind that the matter of integrity of pensions is one of the most important issues facing the country today, I move, seconded by the hon. member for Vegreville (Mr. Mazankowski):

That the Minister of Transport or the Minister of Finance, or both, on motions, before the dissolution of this parliament make a statement explaining and justifying, if they can, the situation which does not require Canadian corporations to show on their balance sheets the very substantial sums of money owed to their employees' pension funds, and to explain, for the benefit of the House and the country, the justification for the substantially different approach taken since 1966 involving the procedures of the Pension Benefit Standards Act and regulations.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

SECURITY OF OIL SUPPLIES FOR EASTERN CANADA—MOTION UNDER S.O. 43

Mr. Fonse Faour (Humber-St. George's-St. Barbe): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter or urgent and pressing necessity.

In view of the current uncertainty of oil supplies for Newfoundland and other parts of eastern Canada, coupled with the recent experience of Canada being held to ransom by multinational oil corporations like Exxon, and the prospect of the Canadian government importing oil directly from Mexico and Venezuela, I move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That this House instruct the Minister of Energy, Mines and Resources to have Petro-Canada purchase the Come-By-Chance oil refinery so that Canadians in eastern Canada can be confident of adequate supplies of petroleum products at a reasonable price.

Mr. Speaker: Pursuant to Standing Order 43, such a motion can be presented for debate at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

[*Translation*]

SPORTS

REQUEST THAT MINISTER LIQUIDATE DEFICIT OF CANADIAN ALPINE SKI ASSOCIATION—MOTION UNDER S.O. 43

Mr. Gilles Caouette (Témiscamingue): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with an urgent matter of pressing necessity.

Considering that the "C" team of the Canadian Alpine Ski Association is asking for $2,000 and $1,500 from the athletes to make up the deficit incurred by that association; considering that under the Loto Canada contract the Minister of State (Fitness and Amateur Sport) (Mrs. Campagnolo) has made Canadians lose $15 million; considering that the same minister refuses to pay the $35,000 deficit of the Canadian Ski Association and that it is unacceptable to lay the burden of that deficit on the athletes, I move, seconded by the hon. member for Villeneuve (Mr. Caouette):

That parliament enjoin the minister to pay $35,000 to the Alpine Ski Association and free the athletes so as to enable them to concentrate on sports.

Mr. Speaker: The House has heard the motion of the hon. member. Pursuant to Standing Order 43, such motion cannot be presented without unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

[*English*]

PUBLICATIONS

FINANCIAL ASSISTANCE TO MONCTON NEWSPAPER—MOTION UNDER S.O. 43

Mr. Leonard C. Jones (Moncton): Mr. Speaker, I rise, under the provisions of Standing Order 43, to move a matter of urgent and pressing necessity.

Whereas the Department of Secretary of State agreed to grant, directly or indirectly, the sum of $215,000 for aid in the financial situation of *L'Évangeline* newspaper in Moncton, and whereas other newspapers in Canada have not been so favoured, and whereas such financial assistance leaves some doubt as to possible government interference with the freedom of the press and the free enterprise system generally, I move, seconded by the hon. member for Palliser (Mr. Schumacher):

That this House strongly object to such action and request the Secretary of State to reconsider this move in light of strong opposition to this type of grant to newspapers.

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

[Mr. Speaker.]

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

TOURISM

REQUEST THAT SECRETARIAT BE ESTABLISHED TO PROMOTE TOURISM—MOTION UNDER S.O. 43

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, pursuant to Standing Order 43, I ask leave to move the following motion on a matter of urgent and pressing necessity.

Given that our international travel account for the fourth quarter of 1978 reflected a higher deficit in the amount of $351 million, an increase of 7.3 per cent over the previous year, and considering the tremendous potential in attracting more tourists from the United States, I move, seconded by the hon. member for Oxford (Mr. Halliday):

That the government take urgent and necessary action to combat the amount in travel deficit and announce the establishment of a secretariat for tourism, and implement some form of controlled deregulation vis-à-vis airlines' operations to Canada in order to encourage an increased flow of visitors to Canada.

Mr. Speaker: The introduction of such a motion for debate at this time, pursuant to Standing Order 43, requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

CANADIAN BROADCASTING CORPORATION

LACK OF OBJECTIVITY IN REPORT ON OPENING SPEECH IN QUEBEC NATIONAL ASSEMBLY—MOTION UNDER S.O. 43

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I rise under the provisions of Standing Order 43 and seek the unanimous consent of the House to discuss a motion relating to an urgent matter of national import.

It relates to the unfair and, I think, poorly balanced broadcast the CBC gave of the inaugural speech yesterday before the National Assembly of Quebec. As hon. members know, the French network of the CBC fully covered the Quebec premier's speech but refused to extend the same privilege to the leaders of the opposition parties. The House will recall that the CBC had also given poor coverage to the Progressive Conservative convention nearly a year ago. Therefore, I move, seconded by the hon. member for Labelle (Mr. Dupras):

That the House urge the Canadian Broadcasting Corporation to appear before the Standing Committee on Broadcasting, Films and Assistance to the Arts and to explain its attitude.

Mr. Speaker: The House has heard the hon. member's motion. Pursuant to the provisions of Standing Order 43, such

a motion can be put only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

MEASURES TO REDUCE CURRENT ACCOUNT DEFICIT

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in the absence of the Minister of Finance and the Minister of Industry, Trade and Commerce, I will put my question to the Prime Minister. It touches on the record current account deficit which was run up in 1978, and the record fourth quarter deficit of last year.

Would the Prime Minister indicate whether he feels that this is a satisfactory performance for Canada and, if not, what does he propose to do to rectify this huge deficit?

● (1415)

Right Hon. P. E. Trudeau (Prime Minister): I am advised that the Minister of Finance is presently attending IMF meetings in Washington and that the Minister of Industry, Trade and Commerce is addressing the Canadian Society of Mechanical Engineers in Toronto. I will be very happy to take notice of the question.

Mr. Stevens: A supplementary question, Mr. Speaker. I do not know where the Prime Minister has been since the last quarter of last year: surely he knew we were running up a current account deficit. The point is that it is $700 million higher than anybody expected. Last year the Prime Minister said we were a healthy economy in a difficult world, but it turns out that we are in difficulty and we have a healthy world around us.

Mr. Jamieson: Oh, come on.

Some hon. Members: Oh, oh!

Mr. Stevens: In view of the fact that 80 per cent of the current account deficit is made up of interest and dividends going out of the country, does that not at least alarm the Prime Minister? If so, will he speak to the Minister of Finance and suggest that he take certain other measures rather than this continuing borrowing of foreign funds that will only aggravate our problem?

Mr. Trudeau: Mr. Speaker, now the suggestion is that I speak to the Minister of Finance. That is exactly what I said in answer to the first question, that I will speak to him about the hon. member's concern.

As to the preface, to the effect that it was much higher than expected, I would remind the hon. member that he and his leader were suggesting a deficit of some $18 billion for the current year. They were merely $6 billion or $7 billion off.

Mr. Stevens: Mr. Speaker, I cannot believe it. The Prime Minister—

Mr. Speaker: Order, please. Does the hon. member have a supplementary question?

Mr. Hnatyshyn: I cannot believe it either, Mr. Speaker.

Mr. Stevens: I am referring to the current account deficit that arises with the rest of the world, and the Prime Minister is talking about a budgetary deficit within Canada.

Mr. Clark: He does not know the difference.

Mr. Stevens: I will come back to the current account deficit, Mr. Speaker. Some $2 billion of capital has gone out of the country in the last year. That represents possibly 40,000 homes that could have been financed with that kind of money. Is the Prime Minister aware of that, and will he at least try to do something about the exodus of capital from the country?

Mr. Trudeau: Mr. Speaker, I told the hon. member that I had not seen these figures and that I was going to discuss them with the Minister of Finance who is at IMF meetings in Washington.

As to the hon. member's disbelief, all I was indicating was that in the estimates of our cash requirements they were exaggerating by $6 billion or $7 billion, and therefore they are not reliable, this opposition, when they are talking figures.

Mr. Speaker: The hon. member for Yorkton-Melville.

Mr. Nystrom: Mr. Speaker, my question is to that tame pussycat, the Minister of Consumer and Corporate Affairs.

Mr. Speaker: Order, please. The hon. member for Hamilton-Wentworth.

* * *

TOURISM

CURRENT ACCOUNT DEFICIT—GOVERNMENT POSITION

Mr. Geoff Scott (Hamilton-Wentworth): Mr. Speaker, following up on the question asked by my colleague, I wonder if in the absence of the Minister of Industry, Trade and Commerce and the Minister of Finance I can ask the Prime Minister a question on a subject that he does know something about, which is travel.

The fact is that the current account deficits show a one billion, 700 million dollars shortfall on travel. This is the highest record ever, in any year. Could the Prime Minister indicate why the government has been unable to grapple with this problem?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we do not have export controls or exchange controls in this country. Canadians are free to travel to any part of the world that they want. The hon. member and his leader have made that kind of choice, and we are not going to criticize it.

Mr. Scott (Hamilton-Wentworth): Let me put one simple question, Mr. Speaker. Since the Tourist Association of Canada has repeatedly asked to have expense deductibility restored in the United States so that Americans can deduct their convention expenses when they come here, surely this would be of tremendous benefit to offset this deficit.

Why does the Canadian government consistently refuse to raise this problem with the United States government? The Prime Minister has just returned from the United States.

Mr. Trudeau: Mr. Speaker, the hon. member was asking about Canadian travel abroad. Now he has switched his question—

An hon. Member: No, your travel abroad.

Mr. Trudeau: —and he is talking about Americans travelling in Canada. To compound his own confusion, he says we have always refused to raise this question with the United States. I raised it personally with the President, and other ministers have raised it. The Americans know our concern. It is a matter of—

An hon. Member: What did he say?

Mr. Trudeau: Mr. Carter said he understood our point of view perfectly.

Mr. Jamieson: And he has been trying to change it.

Mr. Trudeau: Even the opposition would know that the President of the United States cannot have Congress vote the way he would like it to every time.

* * *

● (1420)

CONSUMER AFFAIRS

STEPS TO PREVENT PROFITEERING THROUGH FOOD PRICE INCREASES

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I will try again. My question is for the Minister of Consumer and Corporate Affairs and it concerns high food prices which the AIB said went up by some 21 per cent last year. This is based on information made available this morning that profits for Loblaws last year went up by some 39 per cent and that profits for Loeb last year went up by 34 per cent.

Since the National Commission on Inflation has no power to roll back high and excessive prices, what is the minister going to do to make sure that companies making these huge profits are not gouging Canadian consumers?

[Mr. Scott (Hamilton-Wentworth).]

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, the hon. member wants simplistic solutions to very complex problems. In the motion put before the House last week, they were suggesting we return to controls. But I would put to the hon. member and to members of his party that if he wants the power to roll back, does he also want the power to roll back costs, including wages?

Mr. Nystrom: Mr. Speaker, wages in this country have already been rolled back and workers are making less this year than they were last year, in terms of real dollars.

Some hon. Members: Oh, oh!

An hon. Member: Nine per cent versus six per cent.

Mr. Nystrom: I would like to ask the minister, who is always looking into things, about the following. Nine days ago he took notice of a question from my leader about the price of flour in this country. It was based on the fact that a 5 ½ pound bag of flour went up by some 41 cents, while the subsidy the minister in charge of the Wheat Board took away was worth only 22 cents. He said he would look into why there was such an excessive—almost double—mark-up. What are the results of his investigation? He has had nine days to do something: surely to God that is long enough.

Mr. Allmand: Mr. Speaker, as with several other questions that were put to me by the NDP about detailed price questions, I have prepared answers and I have sent them to members of the NDP, in many cases by mail because they were too long to give in this House. I sent one a few days ago respecting steel, and there was one a few weeks ago on another subject; I think it was with respect to lumber. There is one in preparation, which will go out very shortly, on the question of flour and bread.

Mr. Nystrom: Mr. Speaker, it seems to me the House has the right to know the answers to questions we are posing. I will try once more.

The organization call CSIP, which is now dead, reported a few months ago that the profits for beverage companies were excessively high, yet we notice in the press this morning that beer companies in Quebec have raised the price of beer by 9 per cent across the board.

I ask the minister, what will he do about this in view of the fact their profits are excessively high? Will the minister look into the possibility of price fixing, since three of the largest companies announced price increases at precisely the same time?

Mr. Allmand: Mr. Speaker, we have under way several investigations with respect to price fixing and other infractions under the combines act. These are being pursued by the director of investigation under the combines act and charges are being laid from time to time.

With respect to the other matter that the hon. member mentioned concerning allegations with respect to profits, as I mentioned in my remarks last week, much depends on the base

upon which you start. There is no doubt in my mind that profits in many areas of the food industry were very low in 1976, so an increase in profits in some cases is warranted. The AIB, which studied profit margins in the food industry last summer and again in the fall, pointed out very strongly that the profit margins were quite in accord with historic norms and were not out of line.

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● (1425)

[*Translation*]

FISHERIES

REQUEST FOR ANNOUNCEMENT OF NEW POLICY ON CAPELIN FISHING

Mr. Eudore Allard (Rimouski): Mr. Speaker, my question is directed to the Minister of Fisheries and the Environment. On November 22, 1978 the minister announced that for conservation purposes capelin would no longer be fished in the North Atlantic. At the same time he announced a new study and review of the question of stocks this month. Could the minister tell us whether he intends to announce his new policy concerning capelin fishing in 1979?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): I hope, Mr. Speaker, that following the meeting taking place today in Montreal we will be able to announce our overall policy; however, I can already indicate that scientists are in favour of setting low quotas and that offshore fishing will be first affected. Whenever possible, quotas will be attributed to inshore fishermen. In this regard, I must remind the hon. member that a good deal of the capelin fishing is done outside the 200-mile limit and that we therefore need the international co-operation on which we seem to be able to rely for the time being.

INQUIRY WHETHER QUOTAS WILL BE INCREASED FOR CANADIAN FISHERMEN

Mr. Eudore Allard (Rimouski): Mr. Speaker, I should like to direct a supplementary question to the minister. In view of the fact that the reduction in catches was attributable instead to excessive fishing by the Russian fleet, could the minister advise the House whether the quotas for Canadian fishermen will be increased, as this is a type of fishing which can be exploited on this side of the Atlantic and which could be of benefit to us in Canada?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, I am not sure I can accept the hon. member's premise that the damage to our fish stocks is due to only one country. Undoubtedly there exist other factors about which we are not yet sufficiently informed, including the events which have affected capelin stocks and which have not yet been accounted for. Because of this situation we have taken precautionary measures by reducing quotas as much as possible for the current year. But I repeat that stocks will be reserved first for coastal fishermen.

* * *

[*English*]

FREEDOM OF INFORMATION

INTRODUCTION AND DISPOSITION OF LEGISLATION

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Prime Minister. I ask it of him as he is the clear authority on dates in this House. I tried to get the information from other ministers, without success.

Is the Prime Minister prepared to tell the House that he will see that there is brought into this House before the final days of this parliament a bill dealing with freedom of information? Is he prepared to agree that it should go to committee of the whole, with a free vote, in the hope that what might be a defective bill will be improved and the somewhat tarnished legislative record can be brightened by a good bill being passed in this regard?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am informed by the Deputy Prime Minister that the status of this bill is such that we could bring into the House fairly soon. I hope the hon. member will be patient for a little while longer.

Mr. Baldwin: Mr. Speaker, having been patient for several years, I can be patient for a couple more weeks. Can the Prime Minister assure us that the bill will be brought in before parliament ends, and that it is not his wish to avoid its being introduced because of the various political skeletons in the closet of the PMO?

Some hon. Members: Oh, oh!

Mr. Speaker: The hon. member for Edmonton-Strathcona.

* * *

EXTERNAL AFFAIRS

ROLE OF CANADA IN SECURING PEACE IN MIDDLE EAST

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. It follows on the motion successfully introduced a few moments ago by the right hon. member for Prince Albert.

May I ask the minister what assistance Canada has offered in enabling Egypt and Israel to take advantage of President Carter's presence in the Middle East this weekend and finally come to a political accommodation that can put into place a strategically important cornerstone in constructing a new framework for permanent peace in the Middle East?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I was, of course, more than happy to

see the right hon. member's motion, as were all members of the House.

The Prime Minister was given, as I believe he indicated to the House, a briefing on the Middle East situation in Washington on Saturday. In addition, it has been known for some time that we have indicated to all of the parties concerned, including the United States, that if there is, for example, a United Nation's component in any force that may be established as part of the peacekeeping mechanism, we will consider most sympathetically participation in that kind of exercise.

If, in addition to that, the various parties, including Israel and Egypt, were to see some other advantages or role for Canada, in that case also we would respond in as forthcoming a way as possible to any request.

Mr. Roche: In addition to any possible extension of our peacekeeping role, specifically, has the government engaged in consultations that could lead to stronger Canadian economic relationships with Israel and Egypt that would reflect our conviction that a great era of economic and social development lies ahead in the whole Middle East once the pillar of peace is put in place?

Mr. Jamieson: The answer is yes, Mr. Speaker. To the extent you will permit me, I can designate two or three examples. In the case of Egypt, we already have a co-operation arrangement in place under which we have provided within the last few months considerable assistance with regard to electrification in that country. There is also a locomotives order, if my memory serves me right, in the order of several million dollars on which we have also provided financial assistance. Several other projects are either being discussed or advanced with that country.

● (1430)

We do, of course, have the closest working relationship with Israel. During the visit of Prime Minister Begin last autumn, we talked about improving the trade balances between our two countries and the level of trade, and specific discussions have been held on those subjects as well. I would have to check the records to see what precise items were involved, but certainly we are committed to the strongest kind of trade relationship with that country.

* * *

REGIONAL ECONOMIC EXPANSION

ARDA AGREEMENT WITH ONTARIO

Mr. R. E. McKinley (Huron-Middlesex): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion, who is in charge of the ARDA program. Last year I sought assurances from the minister that a new agreement would be signed with Ontario—a five-year agreement rather than simply an extension. At that time I was told that the negotiations were progressing favourably.

[Mr. Jamieson.]

I further sought assurances that Ontario would receive the same treatment as all other provinces in this regard. I now find that the minister is endeavouring to make Ontario sign an agreement which would not provide any funding for southern Ontario or western Ontario, by which I mean west of Belleville. The federal government does not wish to provide any funding for that part of the province. I wonder why the minister has reneged on his former commitment.

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, on several occasions we extended the ARDA program with the province of Ontario even if we had indicated our intention to terminate that program, but we did so for very good reasons. And when last fall, following the budgetary cuts, we decided to terminate the ARDA program since it was operating only in Ontario, we indicated that we would be prepared to consider some projects within an agreement to be negotiated, which would apply to the eastern part of Ontario. Being satisfied that the agricultural situation has improved considerably in the western part of Ontario, to which the hon. member is referring, we want now to concentrate our effort and allocate the necessary capital to improve the agricultural picture in the eastern part of the province.

[*English*]

Mr. McKinley: It seems to me that the other provinces are not treated in this way. For instance, all of Quebec is covered by the ARDA agreement. I wonder what the problem is. Is it because there are no ministers from western Ontario who have any clout?

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

* * *

TRADE

REQUEST FOR REPORT ON NEGOTIATIONS WITH UNITED STATES

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Deputy Prime Minister in his capacity as the minister with responsibilities for international trade negotiations. Would he report to the House today or at an early date on the trade negotiations with the United States which some journalists have reported could be leading to a free trade arrangement with that country?

If negotiations are moving toward such an arrangement, can he assure us that there will be no final commitment on it until there has been a full study of it by the House, including public hearings by one of its committees on the implications for our industry and its workers and the existence of adequate safeguards for them under any such arrangement?

Hon. Allan J. MacEachen (Deputy Prime Minister and President of the Privy Council): I can give the hon. member

an assurance that there have not been discussions with the United States with a view to establishing a free trade area.

The Minister of Finance met with Ambassador Strauss on February 23 to discuss and, if possible, settle a number of outstanding bilateral issues between Canada and the United States within the over-all context of the multilateral trade negotiations. I can report that progress has been made. The Minister of Finance is again meeting with Mr. Strauss on his current visit to Washington and, hopefully, further progress will be made. But I would again underline that these discussions are within the context of the trade negotiations and whatever arrangements are reached with the United States would obviously be multilateralized, if I can use that dreadful word, under the most favoured nation arrangements.

Mr. Joe Clark (Leader of the Opposition): The Deputy Prime Minister has indicated that progress has been made in these discussions, discussions which significantly affect Canada's trading situation. Will he give us an undertaking that the details of what he calls progress will be made available to the House of Commons either by way of a statement from himself or from his colleague, the Minister of Finance, which would make public information on arrangements which will materially affect Canada's future?

Mr. MacEachen: Yes, Mr. Speaker, it will certainly be the intention of the government to make public the details of these trade negotiations when they are completed. We are at present attempting to bring to a conclusion our discussions with the United States and we still have outstanding questions to settle with the European Community and with Japan. When all has been completed, we shall be making the details public, but it is impossible at the moment to be certain when that will be.

Mr. Clark: We were given to understand by the government that these arrangements are expected to be completed by the end of this month. The Deputy Prime Minister spoke earlier about specific progress having been made. Can he tell us whether to this point any firm agreements have been reached on specific matters in the course of those discussions?

Mr. MacEachen: No, Mr. Speaker. All these discussions are, first of all, *ad referendum* to the cabinet and the cabinet will have the final word as to what is proposed by those of us who are involved in the negotiations. We shall not be able to reach a conclusion on all facets of the discussions until we are satisfied that the result is a balanced one for Canada, and we cannot determine that until all the cards are in place.

Mr. Clark: Is the Deputy Prime Minister telling us, then, that no details of these discussions presently under way with the United States will be made available to parliament or to the people of Canada until after an election?

Mr. MacEachen: No, Mr. Speaker, I am not saying that.

CONSUMER AFFAIRS

PROFITS OF AUTOMOBILE MANUFACTURERS—RESULTANT PRICE INCREASES

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. It arises from the recent Reisman report and the previous Arthur report which showed auto manufacturing companies were getting higher profits on Canadian car sales than on sales in the United States.

In view of the latest CPI figures which showed that car and truck prices have increased by 11.2 per cent over last year, can the minister tell us what he intends to do to roll back this increase which is obviously inflationary?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): As the hon. member knows, during the past three years the Anti-Inflation Board was dealing with prices, profits, wages, and so on, and it has not been my responsibility to watch this aspect of the automotive industry.

Mr. Rodriguez: The minister well knows that the controls which were in effect under the AIB were very effective when it came to controlling wages. Now we have a situation where price increases in this field amount to 11.2 per cent. Is the minister prepared to say to this House and to the country that he is unable to do anything about increasing prices in the field? If he is saying that, will he at least be honest and tell us so?

• (1440)

Mr. Allmand: Mr. Speaker, I can tell the House that we are opposed to further controls at this time. The New Democratic Party now seems to want controls, which its members voted against three years ago.

* * *

IMMIGRATION

TRAINING PROGRAMS FOR REFUGEES

Mr. Jake Epp (Provencher): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Perhaps this does not happen in the House very often, but I want to thank the minister for the agreement with the churches regarding refugees coming from Southeast Asia.

Some hon. Members: Hear, hear!

Mr. Epp: On Friday last the minister was at a federal-provincial meeting regarding the minimum and maximum number of refugee landings which would be possible for 1979. At that meeting the provinces asked the minister to give specific details as to federal commitments on language training and infrastructure for refugee landings.

I would like to ask the minister whether those matters were resolved and, specifically, whether the government has committed itself to increasing the number of refugee landings from

Southeast Asia in addition to the ones to which the churches have now committed themselves.

Hon. Bud Cullen (Minister of Employment and Immigration): Mr. Speaker, first and foremost, I thank the hon. member for his commendation, not so much of me or the government but of the groups which are participating in private sponsorship. They were quick off the mark and the central committee of the Mennonite Church was the first group with which I signed an agreement just last Monday.

Insofar as the numbers are concerned, I had a good discussion with my provincial colleagues on Friday. The numbers which will come under private sponsorship will be in addition to those sponsored by the federal and provincial governments.

Insofar as language training is concerned, the same rules are applicable. Where an individual or both adult individuals in a family go into the work force, language training is the responsibility of the federal government. If, however, only one member of a family enters the labour force, language training for that individual is provided by the federal government but language training for the other spouse and the children of the family is a provincial responsibility. It is one of the provincial responsibilities with regard to participation in refugee and immigration movement.

Mr. Epp: Under the provisions of the new Immigration Act, the minister must file with parliament the annual target of the government with regard to the number of landings for the coming year. The minister put that target at 100,000 for the present year. If he is contemplating increasing the number of refugee landings beyond what he originally proposed and then expanded, are those landings still within the 100,000 total annual flow or has the minister adjusted the 100,000 as well?

Mr. Cullen: Mr. Speaker, by its very nature the question is hypothetical and I am not very keen on answering it on that basis, but I will say that I think much will depend on where the increase is. For example, if we indicated that we would take 10,000 refugees per year out of the 100,000, and we are getting toward the end of the year and we get into a situation where we suddenly have to take in many more refugees, then in that particular instance obviously the number would go over 100,000. If it happens early in the year, we would probably stick with our 100,000 level to see what impact that would have. If we could not work it out, I would meet with my provincial colleagues again for discussions.

There is nothing hard and fast about the 100,000. We can increase that number if it is necessary, but the provinces and the federal government do have some opportunity for planning based on the figures we anticipate for the calendar year.

NUMBER OF IMMIGRANTS TO BE ADMITTED ANNUALLY

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is to the same minister. If the annual quota or expected total remains the same, is it not a fact that if there is an increase in the refugee allotment, this is at the expense of the ordinary flow of immigration; and what is the view of the government toward those people who have normal expectations of immigration, under this new quota system?

Hon. Bud Cullen (Minister of Employment and Immigration): Mr. Speaker, the purpose of consulting with the provinces was to make a determination of what might be, first, an appropriate global level for the number of immigrants and, then, the number of refugees we might anticipate. We did not see that number of refugees having a detrimental effect on what the hon. member has called the ordinary flow of immigrants. If we found it was having that effect, obviously I would meet with my colleagues and suggest we move that up to whatever number is necessary. However, I have to do that in consultation. Under the present legislation I can no longer do it unilaterally.

* * *

LOTO CANADA

PROPOSED TABLING OF AGREEMENT WITH GENERAL INSTRUMENTS

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I would like to direct a question to the Minister of State (Fitness and Amateur Sport). Appendix C of the Loto Canada document which was tabled on February 21 indicated that all matters relating to the contract between Loto Canada and General Instrument would be finalized at eleven o'clock on Monday, March 5. That Monday has now passed, and I wonder if the minister can tell me whether money changed hands at that time and whether the contract initially entered into between Loto Canada and General Instrument has now gone by the boards and is a *fait accompli.*

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, God in Her wisdom, and Harold Ballard to the contrary, as a woman who is up on her feet in this House of Commons I would like to say that I consider Mr. Ballard's remarks to be a disgrace to all women in Canada, and the answer to the hon. member's question is yes.

Some hon. Members: Hear, hear!

Mr. Dick: Mr. Speaker, the minister has an easy way of smuggling in a few other ideas.

On seven occasions in this House the minister indicated that she was not able to table the contract between Loto Canada and General Instrument, but that after the matter was settled the contract might be available to the House. As recorded at page 1797 of *Hansard*, the Prime Minister said to the Leader of the Opposition:

> The Leader of the Opposition suggests that there is a waste of money. The minister has told us that when the contracts are completed, she will table them if they are requested.

The Prime Minister was referring to the Minister of State (Fitness and Amateur Sport), and I am now making such a

request. I wonder if the minister will be able to table the contract between Loto Canada and General Instrument before the end of this week.

Mrs. Campagnolo: Mr. Speaker, it was my earnest desire to table that contract. However, there is a confidentiality clause within it which remains in effect even after the cancellation of the contract. Therefore, I am unable to table it. I have asked the lawyers of the corporation to keep me informed as to whether there will be a time when that contract will no longer be confidential. If there is, I will bring it forward as the Prime Minister suggested.

* * *

[*Translation*]

LABOUR RELATIONS

INQUIRY WHETHER MINISTER WILL INTERVENE IN VOYAGEUR DISPUTE

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, my question is directed to the Minister of Labour.

The population of Quebec has been deprived of its Voyageur bus service for several months. Does the minister intend to participate personally in the negotiations between Voyageur Colonial Ltd. and its bus drivers and can he tell the House whether he expects the conflict to be settled in the near future?

Hon. Martin O'Connell (Minister of Labour): Mr. Speaker, the federal mediator pursues his effort to find a solution to that conflict through personal meetings with both parties.

I agree with the hon. member for Gaspé that the general public, the residents of 450 municipalities are affected by that conflict. I urge both parties to co-operate fully with the federal mediator, particularly when we consider the fact that the company has endorsed the principle of the hourly wage, I think, instead of the mileage compensation system, so the time has come to accelerate their negotiations. Personally, I do not intend to interfere at this time.

* * *

[*English*]

SHIPBUILDING

ASSISTANCE FOR GREAT LAKES SHIPBUILDING INDUSTRY

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, in the absence of the Minister of Industry, Trade and Commerce perhaps I can direct my question to his parliamentary secretary or to whomever is responsible for answering for that department.

In the new assistance program for the lagging shipbuilding industry in Canada, announced just recently by the government, it is very evident that much of this assistance is slated for the east and west coast areas and very little, if any, is earmarked for the Great Lakes shipbuilding industry. I would like to ask the government to take a long, hard look at this program in order to correct any injustices or hardships to the Great Lakes shipbuilding industry.

[*Translation*]

Mr. Bernard Loiselle (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, in its accouncement the federal government provided for amounts to be allocated for ships or ferries to be built or repaired in Canadian shipyards and, therefore the Great Lakes shipbuilding industry will also be able to tender for those works.

● (1450)

[*English*]

Mr. Mitges: Mr. Speaker, I should like to ask the parliamentary secretary if he would take the necessary steps to assure the Great Lakes shipbuilding industry that all applications for assistances will be given the same consideration as those received from the east and west coast areas.

[*Translation*]

Mr. Loiselle (Chambly): Mr. Speaker, of course the Department of Industry, Trade and Commerce as well as the minister will give as much consideration to the Great Lakes shipyards as to others across the country.

* * *

[*English*]

COMMUNICATIONS

CRTC POLICY ON SATELLITE RECEPTION—MINISTER'S POSITION

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, my question is for the Minister of Communications. In response to a letter, the minister stated that it is only sensible for the CRTC to impose some sort of limit on the number of foreign signals which are allowed into the Canadian market. Therefore, does the minister support the stated policy of the CRTC of limiting Canadian cablevision systems to the distribution of a maximum of three commercial stations not licensed to serve Canada?

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, I agree with that policy of the CRTC. It is designed to allow Canadians to view Canadian programs and to encourage the Canadian broadcasting industry to produce those programs. The hon. member is suggesting by his question that he would like to see Canada submerged in American programs to a degree that there would not be a Canadian broadcasting industry any more. I am surprised at that kind of a question coming from the hon. member.

Mr. Wenman: Mr. Speaker, I am surprised about the minister's inference from what I have said. Obviously, she did not understand the intent of my question.

In view of the reality of earth stations and the technology which indicates that in a few years earth stations will be a viable option for the private receiver, why does the minister talk in terms of limiting the freedom of choice of Canadians, instead of saying that through technology Canadians should be able to make their own choice of stations throughout the world via satellite? Why does the minister not support the expanded freedom of choice of Canadians and respect their right to do so?

Mrs. Sauvé: Mr. Speaker, I am afraid the hon. member does not quite understand how the satellite system operates. One has to program a Canadian satellite with the signals one wants people to be able to receive. Even when there is an individual receiving station, that station just cannot be simply beamed anywhere. There are international agreements which preclude allowing an earth station to be beamed on just anybody's satellite.

We decided 10 or 12 years ago to go into the space industry precisely because we wanted to maintain a sovereignty in the field of communications. If one has one's own satellite, then it can be programmed to allow for the distribution of signals, which new earth station policy will allow to be done more effectively and more flexibly.

* * *

[*Translation*]

SPORTS

REQUEST THAT MINISTER LIQUIDATE DEFICIT OF CANADIAN ALPINE SKI ASSOCIATION

Mr. Gilles Caouette (Témiscamingue): Mr. Speaker, my question is directed to the Minister of State (Fitness and Amateur Sport). In January I sent her a letter asking that her department provide financial help for team "C" of the Canadian Alpine Ski Association. As these athletes are not chosen on the basis of the money they can bring to or collect for the association but on the basis of their skiing talents, is the minister prepared to reconsider her decision and provide the $35,000 needed to make up the deficit of the Canadian Alpine Ski Association?

[*English*]

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, the hon. member knows very well that the sport governing body is supreme in our system. The Canadian Alpine Ski Association underestimated the amount it would need for this year's program. There has been some $720,000 spent on skiing by my department this year, of which $325,000 was for Alpine skiing: $63,000 in the world cup, $147,000 in competition, and $115,000 in training.

I presume the hon. member is referring to two people, the Pratt family of the "C" pool of skiers who have been asked to provide some funds to the sport governing body to assist with the "A" pool training program. They would be refunded at the end of this year.

[Mr. Wenman.]

The hon. member's motion under Standing Order 43 stated that this was a result of Loto Canada profits. Somehow or other he must have forgotten that 82.5 per cent of the profits of Loto Canada go to defray the Olympic debt until the end of 1979. There will be funds up to $24 million for sport, starting in 1980; that is, if people do not listen to the Leader of the Opposition.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Caouette (Témiscamingue): Mr. Speaker, I have a supplementary question. As I said, since the young members of team "C" are not chosen on the basis of their family's or their own wealth, does the minister think it is normal that they should be the ones to finance the benefit of the Canadian Alpine Ski Association?

[*English*]

Mrs. Campagnolo: Mr. Speaker, that is a decision of their sport governing body, and this government does not interfere in the decisions of sport governing bodies in these matters.

* * *

[*Translation*]

ENERGY

INQUIRY AS TO STEPS TAKEN TO SETTLE DISPUTE AT LAPRADE PLANT, MONT-GABRIEL

Mr. Roch La Salle (Joliette): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources and concerns the current negotiations with the Laprade plant in Quebec. Last summer, when the Quebec Liberal caucus met in Mont-Gabriel, a brief on the Laprade plant was presented to the Prime Minister. This brief expressed complete disgust with the Canadian government's attitude because, after having virtually imposed a settlement on the province, the government had, with little or no consultations, revised its position. Could the minister tell us, in light of his consultations with his provincial counterpart, what kind of arrangement he is working on or getting ready to announce?

[*English*]

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, the Minister of Finance and I met very recently with two Quebec ministers, the minister of finance and the minister of energy. At that meeting it was quite clear that the province of Quebec is prepared to negotiate an extension of the completion date for the Laprade heavy water plant. That was made clear in the discussions and I believe subsequently by comments the Quebec minister of energy made publicly.

As to the other energy projects which might be undertaken with the assistance of the federal government, that is a matter presently under discussion.

[*Translation*]

Mr. La Salle: Mr. Speaker, I have a supplementary question for the Prime Minister. The Prime Minister will surely remember that the brief warned him to avoid making the present Quebec government solely responsible for this difficult situation since things had begun to deteriorate long before the PQ came to power. Having read this brief, can the Prime Minister tell us if he has advised his ministers to co-operate more closely on the major problems of Quebec?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I did not hear the hon. member's initial question and I am not very familiar with the brief mentioned. He will probably wish to send me a copy. I think, however, that the people of Quebec have repeatedly indicated which party they feel can best look after their interests, and it is not his party.

* * *

[*English*]

THE CANADIAN ECONOMY

DROP IN HOUSING STARTS—EFFECT ON EMPLOYMENT AND COST OF HOMES

Mr. Bob Rae (Broadview): Mr. Speaker, in the absence of the Minister of Finance I should like to address my question to the President of the Board of Economic Development Ministers.

Figures released by Central Mortgage and Housing Corporation show that housing starts for February are down 45 per cent, from 11,761 last year to 6,413 this year. In view of these figures, can the minister explain to the House when he will introduce specific measures to prevent massive unemployment in the construction industry and to allow Canadians affordable housing?

Hon. Robert K. Andras (President of the Board of Economic Development Ministers): Mr. Speaker, there is a great deal of optimism justified in terms of construction, industrial and manufacturing plant expansion. The construction association in the housebuilding industry has had five or six years of very high-level housing starts. The view has been put that there will not be a requirement for the same number of housing starts that prevailed over the last five or ten years. I think in each of the last five years they exceeded well over 200,000, or closer to 250,000.

It is doubtful there will be a requirement for that level of starts, so the industry is going to move into industrial and commercial enterprises, as well as the expansion of large plants, energy projects and many others about which the construction industry should be justifiably optimistic.

● (1500)

EMPLOYMENT

PROGRAM FOR SUMMER JOBS FOR STUDENTS

Mr. F. A. Philbrook (Halton): Mr. Speaker, my question is for the Minister of Employment and Immigration. Recently, the summer student job centres opened up in the Peel and Halton regions and I understand they are already off to a very strong start. I should like to ask the minister if this indicates another improved year for summer student jobs in general right across the country—

An hon. Member: Hypothetical.

Some hon. Members: Order.

Mr. Speaker: Order, please. The hon. member for Vancouver Quadra.

* * *

EXTERNAL AFFAIRS

EXTRADITION TREATY WITH GERMANY

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, my question is for the Secretary of State for External Affairs and it stems from the case of a German born Vancouver resident, Herman Von Pfetten, but it stands to affect many thousands of Canadian citizens who were not born in this country. Mr. Von Pfetten was arrested in the United States on an extradition request by Germany. After a scathing attack on the procedure, a United States magistrate dismissed the case.

I would like to ask the minister about the treaty that Canada has drafted with Germany dealing with extradition, which treaty is expected to be ratified later this year. Will that treaty be retroactive, and will it affect Canadian citizens who may have been born in some other country such as Germany? Will they be subject to extradition requests to Germany, a state which does not extradite its own nationals to any other state?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I want to thank the hon. member for giving me notice of this question. I share his satisfaction with the outcome of what was a most unfortunate and, as it turned out, unwarranted action against the gentleman in question in the courts. As the hon. member knows, he has been totally exonerated and the case is now closed.

In light of the notice I received, I have been able to get this answer, that the treaty to which the hon. member has made reference must be approved by the German parliament, and that has not as yet taken place. We have had a reciprocal extradition arrangement in effect with West Germany since March, 1974.

On the specific point of the hon. member's question, as it does not apply to offences committed before March, 1974, in the case in question they could not have proceeded against the

gentleman. In any event, there is a considerably more complex legal explanation which I will be glad to send the hon. member by letter, if he so desires.

Mr. Clarke: Mr. Speaker, I wonder if the minister could give us a projected date for the passage and ratification of this treaty, and could he tell us whether copies are available?

Mr. Jamieson: I would imagine, on the second part, the answer is yes. I would have to make inquiries. I am afraid I have a hard enough job predicting what matters are going to be passed through this House. I do not know what happens in the German parliament, but I will make inquiries.

* * *

PRIVILEGE

MR. R. STEWART—ANNOUNCEMENT OF DECISION TO SIT AS PROGRESSIVE CONSERVATIVE MEMBER

Mr. Ralph Stewart (Cochrane): Mr. Speaker, some 11 years ago it was my privilege to be chosen by my people in the Cochrane riding to represent them in the Parliament of Canada. I have done my best to serve them ever since.

Being a person of frank expression, I have never hesitated to voice my disagreement. It became clear that any opposition to policy on the part of the troops is not looked upon with favour by the government.

A few years ago I became increasingly disillusioned following the famous musings of the Prime Minister (Mr. Trudeau) on national television when he stated that the free enterprise system had failed. I could not accept that kind of thinking. The free enterprise system is what made the United States great and brought Canada on the road to becoming a great nation.

Later that year many of my colleagues were scandalized when the Prime Minister stated in no uncertain terms at a meeting of Ontario MPs that he had come into politics to move the country further to the left and he had never abandoned that goal.

Feeling that I could not accept this thinking, nor could I change it, I thought seriously of resigning from the caucus. This would have been a betrayal of those who had elected me as a Liberal because it was not long after the last election, so I did nothing in that regard. However, now that this parliament is playing an overtime period, the circumstances are vastly different. It is abundantly clear to me that Canada must reject a further drift to the left and it is time for me to take a serious stand.

I fully realize that I shall be making a great personal sacrifice by taking this action today, but my feelings for the principles involved run very high indeed. There is no amount of personal security that could make up for a failure on my part to come to grips with my gut feeling that to do otherwise would be a betrayal of my commitment to Canada and the people I have served.

[Mr. Jamieson.]

[*Translation*]

Several years before I got into active politics, I was already fighting in favour of bilingualism and the French fact in Canada. I believed that better understanding was necessary to promote Canadian unity. I worked hard and I became one of the first advisors on bilingualism within the public service.

[*English*]

In respect of bilingualism and Canadian unity, it is my opinion that the whole problem has been handled badly. Our country is less united that it was ten years ago. The government has gone about it the wrong way and has even allowed it to become a personal vendetta amoung a few elite, including the Prime Minister and the premier of Quebec. The climate created as a result has been one which pits faction against faction and threatens the very existence of Canada as a nation.

The potential of Canada, in my view, is great. It is my feeling that the present governmental policies will not develop that potential.

Accordingly, I have decided, after consultation with my wife and a few respected associates, to leave the Liberal caucus and seek to take my seat with the Progressive Conservative caucus.

Some hon. Members: Hear, hear!

[*Translation*]

MR. ALLARD—DELAY IN ANSWERING ORDER PAPER QUESTION

Mr. Eudore Allard (Rimouski): Mr. Speaker, I would like to draw the attention of the Parliamentary Secretary to the President of the Privy Council (Mr. Pinard) to question No. 356 which is on the order paper since October 24—

Mr. Speaker: Order, please. The hon. member for Rimouski has the floor.

Mr. Allard: Thank you, Mr. Speaker. I do not know whether it is in order, but I would like to draw the attention of the parliamentary secretary to question No. 356 which has been on the order paper since October 24, 1978. Since I did not receive any answer yet, I would ask the parliamentary secretary what is his position on that matter.

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): Mr. Speaker, I had a look at the question. It does concern several departments and agencies and it has been referred to whom it may concern. We are expecting the results of the steps we took in order to be able to give the hon. member the most complete answer possible without undue delay.

• (1510)

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): Mr. Speaker, the following questions will be answered today: 77, 180, 525 and 939.

I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[*Text*]

SUPPLY AND SERVICES—DECENTRALIZATION TO MONCTON, N.B.

Question No. 77—**Mr. Jones:**

1. Was the move to decentralize the Superannuation Branch of the Department of Supply and Services originally planned for Moncton, New Brunswick? Upon whose recommendation was Moncton chosen and on what basis?

2. What costs were entailed in planning and preparing for the move of the said Superannuation Branch to Moncton, New Brunswick?

3. Why was the change made to go to Shediac, New Brunswick? What additional costs were necessitated by such a change? Whose recommendation was followed to change the destination from Moncton to Shediac? And on what basis?

Hon. Jean Chrétien (Minister of Finance): 1. The decision to relocate the superannuation branch of the Department of Supply and Services to the Moncton area in New Brunswick, not the city of Moncton—was approved by the Treasury Board early in 1976 and announced on June 14, 1976. The Moncton area was recommended by the Department of Supply and Services and the Treasury Board task force on decentralization.

2. Not applicable. See following answer (number 3).

3. The relocation of the superannuation branch to the Moncton area community of Shediac is consistent with the original decision by the Treasury Board. There are therefore no additional cost associated with planning and preparing for the move.

LYTTON INDIAN BAND—HOUSING PROJECT

Question No. 180—**Mr. Patterson:**

1. Did the Department of Indian Affairs and Northern Development receive a bid for work on a housing project for the Lytton Indian Band from Carter Building Systems in 1977?

2. Did the Department receive a bid for work on a housing project for the Lytton Indian Band from the Matsqui Correctional Institution in 1977 and, if so (a) what hourly wage rate was used by the Matsqui Institution in determining their costs (b) what is the Department's policy regarding federal minimum wage rates on departmental projects?

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): I am informed by the Department of Indian Affairs and Northern Development and the Ministry of the Solicitor General as follows:

Order Paper Questions

1. No. However, the Lytton Band has responsibility for administering its own housing programs on its own reserves. We understand that a bid was received from Carter Building Systems but was not accepted by the band.

2. No, but it is the Department of Indian Affairs and Northern Development understanding that the Matsqui Correctional Institute submitted a bid to the Lytton Band.

(a) One dollar per hour.

(b) Normally, the policy of the Department of Indian Affairs and Northern Development regarding wage rates on departmental projects is to pay either the provincial or the federal minimum wage rate, whichever is higher.

NOTE: Chapter VIII of the sub-committee's report on the penitentiary system in Canada, 1977 particularly refers to work education and training. Recommendations 39, 40, 41, 42 and 43 underline the necessity for further development of industries within the Canadian penitentiary service and, with the Solicitor General's agreement in principle, these recommendations are now in the process of being implemented.

However, the Canadian penitentiary service has been operating an industrial program for many years. The construction of modular housing is only one aspect of the program. The objective of this program is to ensure that inmates would be fully, regularly and suitably employed at tasks that would train them to operate and hold employment upon their return to society. It would also assist in defraying the cost to the public of operating the Canadian penitentiary service.

Prior to the construction of modular units for Indian bands, inmates under the program would build structures as a phase of training. At the end of the training period, the training structures would be demolished. To eliminate this waste of materials and the frustration of inmates in knowing that what they had built would serve no useful purpose, the Department of Indian Affairs and Northern Development and the Canada penitentiary service developed the modular housing program. The training program leads to inmates learning a trade thus enhancing their potential for resocialization and their chances of being absorbed into the labour market on release. Many of the inmates undertaking the training are Indians and, on release, return to the reserves to assist in the band's housing construction program.

SHIPS ON CHARTER TO CN MARINE

Question No. 525—**Mr. Muir:**

1. What are the names of the ships on charter to CN Marine?

2. For what service are they chartered and at what cost?

Hon. Otto E. Lang (Minister of Transport): The management of Canadian National Railways advises as follows:

1. *Marine Nautica*
Marine Atlantica
Marine Cruiser
Marine Evangeline
Princess of Acadia
Marine Sprinter
Marine Voyager
M.V. Kloster
M.V. Clyde
M.V. Sarah
Marine Coaster
M.V. Glencoe

Marine Runner	*M.V. Mount Blair*
Marine Packer	*Marine Transport*
Topsail Star	*Marine Trader*
	Dunure

2. The ships are chartered for mainland Newfoundland, Bay of Fundy, and Newfoundland-Labrador service. It is not the practice of the company to disclose financial details of commercial transactions between itself and persons or firms providing services.

DEFENCE INDUSTRY PRODUCTIVITY PROGRAM

Question No. 939—**Mr. Crosbie:**

1. For the fiscal year (a) 1974-75 (b) 1975-76 (c) 1976-77 (d) 1977-78, under the Department of Industry, Trade and Commerce Defence Industry Productivity Programme (DIP) or any successor programme under the Enterprise Development Programme (EDP), what was the number and total value of contracts (i) between $0 and $50,000 (ii) between $50,001 and $100,000 (iii) between $100,001 and 500,000 (iv) between $500,001 and 1,000,000 (v) $1,000,001 or more (vi) in total?

2. For the same years, what were the expenditures of the Department under the Defence Industry Productivity Programme (DIP) or any successor programme under the Enterprise Development Programme (EDP) in (a) the Textile and Consumer Products Branch (b) the Agriculture, Fisheries & Food Products Branch (c) the Chemicals Branch (d) the Electrical and Electronics Branch (e) the Machinery Branch (f) the Resource Industries Branch (g) the Construction and Consulting Services Branch (h) all branches?

3. For the same years, by province and territory, what was the total in grants and contributions by the Department under the Defence Industry Productivity Programme (DIP) or any successor programme under the Enterprise Development Programme (EDP)?

Hon. Jack. H. Horner (Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned:

1. See list No. 1 below.

2. See list No. 2 below.

3. See list No. 3 below.

The Defence Industry Productivity Program has remained separate from the Enterprise Development Program.

Department of Industry Trade and Commerce
Defence Industry Productivity Program (DIP)

Number and Total Value of Contracts

	$0 to $50,000		$50,001 to $100,000		$100,001 to $500,000		$500,001 to $1,000,000		$1,000,001 and over		Total	
	No.	Value	No.	Value	No.	Value	No.	Value	No.	Value	No.	Value
1974/75	15	$507,983	11	$873,515	37	$10,479,098	2	$1,170,030	11	$39,469,513	76	$52,500,139
1975/76	6	$224,150	4	$280,210	19	$5,080,462	6	$4,506,519	5	$8,771,718	40	$18,863,059
1976/77	13	$390,156	11	$785,007	41	$11,310,286	7	$4,483,451	12	$39,684,901	84	$56,653,801
1977/78	8	$197,586	15	$1,153,252	38	$9,104,099	8	$5,474,760	12	$48,802,784	81	$64,732,481
Total	42	$1,319,875	41	$3,091,984	135	$35,973,945	23	$15,634,760	40	$136,728,916	281	$192,749,480

Department of Industry Trade and Commerce
Defence Industry Productivity Program (DIP)
Expenditures

	1974/75	1975/76	1976/77	1977/78
Textile and Consumer Products Branch	—	—	—	—
Agriculture, Fisheries and Food Products Branch	—	—	—	—
Chemicals Branch	$299,156	$403,199	$103,687	$5,036,840
Electrical and Electrics Branch	$7,669,717	$6,158,180	$8,509,476	$11,270,445
Machinery Branch	$507,306	$474,328	$787,331	$651,791
Resource Industries and Construction Branch	$195,281	$294,888	$584,282	$207,964
Transportation Industries Branch	$39,758,559	$31,669,405	$34,915,224	$26,042,598
Total	$48,430,019	$39,000,000	$44,900,000	$43,209,638

Department of Industry Trade and Commerce
Defence Industry Productivity Program (DIP)

	1974/75	1975/76	1976/77	1977/78
Nfld.				
Contributions	—	—	—	—
Grants	—	—	—	—
N.S.				
Contributions	$643,142	$402,601	$690,395	$66,913
Grants	$590,623	—	$73,740	—
	$1,233,765	$402,601	$764,135	$66,913
N.B.				
Contributions	$96,316	$186,591	$6,698	—
Grants	$705,200	$11,489	$102,364	—
	$801,516	$198,080	$109,062	—
P.E.I.	—	—	—	—
Ont.				
Contributions	$26,469,886	$17,215,217	$23,492,564	$17,079,003
Grants	$2,592,294	$3,156,821	$3,180,673	$3,089,392
	$29,062,180	$20,372,038	$26,673,237	$20,168,395
Que.				
Contributions	$14,231,739	$14,836,634	$15,201,725	$21,719,802
Grants	$2,698,992	$2,511,402	$2,006,271	$703,137
	$16,930,731	$17,348,036	$17,207,996	$22,422,939
Man.				
Contributions	$34,081	$403,787	—	—
Grants	$31,036	—	—	—
	$65,117	$403,787	—	—
Sask.				
Contributions	—	—	—	—
Grants	—	—	—	—
Alberta				
Contributions	$89,376	$16,686	—	—
Grants	$27,989	$4,777	—	—
	$117,365	$21,463	—	—
B.C.				
Contributions	—	—	—	38,746
Grants	$219,345	$253,995	$145,570	$512,645
	$219,345	$253,995	$145,570	$551,391
National				
Contributions	$41,564,540	$33,061,516	$39,391,382	$38,904,464
Grants	$6,865,479	$5,938,484	$5,508,618	$4,305,174
Total	$48,430,019	$39,000,000	$44,900,000	$43,209,638

[*Translation*]

Mr. Speaker: The questions enumerated by the hon. parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

Mr. Speaker: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Mr. Speaker: Does the House agree?

Some hon. Members: Agreed.

[*English*]

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, my point of order is very brief. It has to do with amenities provided for members of parliament. I just wanted to draw the matter to your attention and to ask you, sir, if this is to continue, to check into getting facilities to dry out the fur of hon. members who jump off ships.

* * *

POINT OF ORDER

MR. HNATYSHYN—DELAY IN DEALING WITH MOTION FOR PRODUCTION OF PAPERS

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I rise on a point of order in connection with a notice for the production of papers to which the parliamentary secretary has in fact referred but once again has not dealt with. I refer to motion No. 1 standing in my name. It deals with production of documents relating to the establishment of a uranium refinery in the province of Saskatchewan.

This motion is the first motion on that particular list. A number of subsequent motions have now been dealt with by the parliamentary secretary on behalf of the government. This is not the first occasion on which I have asked for the production of those particular documents. In fact, it has been a longstanding request and goes back to previous parliaments, but it has been refused.

Saskatchewan is on the verge of very considerable expansion in terms of its uranium industry, and I think that it is absolutely essential in the dying days of this parliament that the government produce the documents so that the people of Saskatchewan will know what has been done with respect to the establishment of a uranium refinery and with respect to environmental studies in the areas of Saskatoon and Warman.

I would ask the parliamentary secretary to direct his mind to obtaining a response to those particular requests and that he ask for the appropriate documents so that they can be tabled in the interests of western Canada and the people of Saskatchewan in particular.

[*Translation*]

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): Mr. Speaker, if the papers involved can be tabled, they will be. If not, the motion can then be debated. I see the hon. member has already gone ahead and tried to debate his own motion even before a decision was reached on whether or not the papers would be tabled. As far as we are concerned, we shall follow the usual procedure.

[*English*]

Mr. Speaker: Shall the remaining notices of motions for documents be be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—UNQUALIFIED RIGHT OF WOMEN TO WORK

Mr. David MacDonald (Egmont) moved:

That this House recognizes the unqualified right of women to work in any and all fields of endeavour and that it urges the government to set an example for the private sector through:

(1) employment programs and practices based on the fundamental premise of the equality of women and of their right to work;

(2) economic planning that reflects the reality that women will continue to want to work and that the influx of women into the labour market is not a temporary aberration;

(3) thorough study of the pension situation of women with special emphasis on the relation between low wages and low pensions; and

(4) adoption of policies that will put an end to the serious exploitation of immigrant women in the Canadian labour force.

Mr. Speaker: Members will recall that proceedings on this motion will expire in accordance with Standing Order 58(11) at the ordinary hour of adjournment this day.

Mr. MacDonald (Egmont): Mr. Speaker, this is an important day in that it marks one year plus one day since we last debated the situation of women in this House. On that

instance the motion was moved by the hon. member for Oshawa-Whitby (Mr. Broadbent). It is perhaps symptomatic in the decline and disintegration of this government that we are forced again to debate today, by way of an opposition day motion, the unqualified right of women to work in the occupation of their choice, and that we must in fact urge the government to set an example in this regard to both the public and the private sectors.

One would have thought after almost a decade following the report of the royal commission on the status of women in 1970, the establishment of numerous advisory councils, both federal and provincial, and the enunciation since 1972 of equal opportunity programs for women in the public service along with a declaration of support from the Prime Minister (Mr. Trudeau) on down for the equality of opportunities for women, that such a motion today would be both unnecessary and irrelevant.

The tragic facts are, however, that in the last few months we have seen a growing response on the part of concerned Canadians, and particularly those women's groups that try to reflect the current status of women, nationally and provincially, to the point where it is now a virtual outcry. It was perhaps most clearly focused in the statement issued by the chairman of the Canadian Advisory Council on the Status of Women at the most recent quarterly meetings on January 10, 1979. The opening paragraph of her statement stands as a sorry tribute to the government's present record with respect to women in the work force. Here is what Madame Yvette Rousseau had to say in her opening paragraph:

> After considerable study, consultation and discussion I have come to a tragic conclusion: not only Canadian women are excluded from the employment strategy proposed by the Canadian government, but they are subtly evicted from the labour force. This conclusion is all the more bitter in that it questions women's right to work. After ten years of in-depth studies, conclusive research and multiple recommendations, such are the facts.

Madame Rousseau then goes on to state some of the collective experiences both of the advisory council and other bodies concerned with women's right to work. She mentions some of the historic developments which have taken place in the last decade, and goes on to say:

> I will mention only a few documents and organizations which have clearly explained the realities of women's lives and their claims: the Bird Commission, Provincial and Federal Status of Women Councils, "Carrefour 75" in Quebec, and the latest Quebec Status of Women Council's report . . . Were those efforts in vain? Is the whole exercise considered a farce? Have those organizations been established in order to sugar-coat the "pill"—this time, a psychological and bitter one.

She continues:

> But when we dissect official statements made in time of economic ill-health, we are appalled to see that women are consistently held responsible for the high rate of unemployment, though they fall victims to it more than other groups. Consequently, they are used as scape-goats and as a screen for a chronic inability to redress the economy.

In more specific terms—and I will come back to this matter in a few moments—she directly focuses on the employment strategy enunciated by the Minister of Employment and Immigration (Mr. Cullen) in September, 1978. She asks these two questions:

[Mr. MacDonald (Egmont).]

> Before it was decided to exclude women from the employment strategy, why is it that the CACSW's advice was not asked? Is an advisory council a political ornament? Are there any women on the regional working groups advising Canada Employment and Immigration Commission's sector task forces?

I understand that the minister responsible for the status of women and for this particular body which Madame Rousseau chairs will be speaking this afternoon, and I for one will be most anxious to hear what the minister, who has been in his position responsible for the status of women since 1974, has to say to these serious allegations. We know only too well what his colleague the Prime Minister thinks of these allegations because he has told us so. I raised these statements with the Prime Minister on January 23, and I asked him what steps are being taken to reverse this situation. His reply was very short and direct. He said:

> Mr. Speaker, I have had a report and I can state unequivocally that either the president was not directing her remarks at the government or else she was unequivocally wrong.

In case there is any doubt in the minds of the Prime Minister or any members of the government, it is useful to look at the letter which was sent to the Minister of Employment and Immigration on June 29. I simply want to read the first two paragraphs, which are as follows:

● (1520)

> At a special meeting of the leaders of the Advisory Councils on the Status of Women of Canada, Nova Scotia, New Brunswick, Prince Edward Island, Quebec, Ontario and Saskatchewan held in Toronto, January 26, 1979, there was unanimous endorsation of Yvette Rousseau's position that "not only are Canadian women excluded from the employment strategies proposed by the federal government, but they are subtly evicted from the labour force."
>
> On behalf of my colleagues I wish to reaffirm to you our conviction that every person has the right to work. Women who make up 46 per cent of the work force in this country are not secondary nor marginal workers.

That letter has still to be answered. I know that the Minister of Employment and Immigration put some specifics in writing to the six provincial and one federal advisory councils some two or three weeks later. The essential thrust of that letter, the allegations put forward by Madame Rousseau on January 10, have neither been addressed, to my knowledge, publicly or privately, by the Prime Minister, who said they were false and not directed to the government, nor by the minister responsible for the status of women. We hear almost nothing from him these days with respect to developing and deepening women's issues. There was nothing either from the Minister of Employment and Immigration who seems to be the forward advance—or, should I say, retreat—with respect to adequate programs for the status of women, particularly as their employment and right to work is affected.

It might be useful, Mr. Speaker, to review the history briefly. Hon. members will recall that in 1967 at the time of the government of Lester Pearson, a royal commission on the status of women was appointed with the distinguished member of the other place, Senator Florence Bird, as chairman. It made its major report in December, 1970. Many of the recommendations were long overdue and were implemented within a short period of time.

Interestingly enough, I believe the first debate that took place as a result of this report was instigated by the hon. member for Greenwood (Mr. Brewin) in March, 1971. There was a valuable contribution on his part as well as contributions from our former colleague from Fundy-Royal, now the chairman of the Human Rights Commission, Gordon Fairweather, and others.

In March, 1971, the Prime Minister enunciated his perspective and concern with respect to the status of women—not in the House, as is so often the case, but at a meeting of a number of Liberal faithful in Toronto.

By 1972 the cabinet had formulated directive no. 44, referred to as the status of women directive in Canada. The report of the interdepartmental committee over the hand of Mr. Gordon Robertson, then secretary to the cabinet, gave a very clear indication of what appeared to be the direction the government was taking. This directive was to ensure the implementation of recommendations from the royal commission on the status of women. In addition, it said that the Public Service Commission had embarked on an active program to promote equal opportunity for female public servants. Indeed, deputy heads of departments were directed by cabinet to take steps to encourage the assignment and advancement of more women into middle and upper echelon positions.

That was almost seven years ago. In 1974 the minister responsible for the status of women assumed his responsibilities and declared the great things that were in store for 1975, International Women's Year. In the concluding part of 1975 a more detailed cabinet document entitled "Equal Opportunities in the Public Service of Canada" was enunciated. It stated:

—the federal government as an employer actively supports the principle of equal access to employment, training and development, and career opportunities for all employees—

It went on to say:

—within a reasonable period of time representation of male and female employees in the Public Service would approximate the proportion of qualified and interested persons of both sexes available by department, by occupational group, and by level.

Program guidelines were established. Policy examination was to take place under the responsibility of Treasury Board—I will say more about this shortly—and the deputy heads of departments were expected to establish and publicize their own statements of policy consistent with the policy outlined in January, 1976. Indeed, the minister stated there was to be very active monitoring, reporting and action on the part of all levels of the federal government.

The minister himself made such statements and I should like to quote from a couple of the many speeches he made in 1975. The minister responsible for the status of women said on October 15, 1975:

We find a society that pays lip service to the principle of equality while continuing to support actions that reinforce the inequities in women's situations. Perhaps we suffer from a collective time lag between conviction and action.

Perhaps today the minister will tell us about his collective time lag between conviction and action in the past two or three years. In another instance the minister said:

It would make a mockery of this international women's year, both in government and the private sector, if we were only to speak out against this enormous inequality without taking firm steps to end it.

Those firm steps have still been held in abeyance, Mr. Speaker. We wait to see what real action the minister is going to take.

The tragic fact is that the present government seems intent on undoing or undermining much of the rhetoric and programs that characterized the earlier years leading up to and including International Women's Year in 1975. Certainly one does not have to be a detailed student of events of the past half dozen years to realize that rising expectations and implementation of new programs were very much the order of the day, reaching a peak in International Women's Year.

If we follow the performance curve with respect to developments in employment in the public service, a kind of peak was achieved in a number of areas in terms of accelerated access for women into middle and upper levels and into training programs. The tragedy is that, as we follow that curve beyond 1975, and as the Advisory Council on the Status of Women pointed out so clearly, it has begun to go, in some cases, into rather sharp decline.

How tragic it is that in the last year or so the only time we seem to have heard from the minister responsible for the status of women is when members on this side either direct questions to him or introduce motions, as the hon. member for Oshawa-Whitby (Mr. Broadbent) did a year ago yesterday and as we are doing today, so as to create a situation by way of opposition day debates for the minister to issue some kind of defence. I sincerely hope that in his response today the minister is not going to recite, as he did last year, a catalogue that is somewhat out of date and in some ways irrelevant to the present difficult situation for women. I can understand the minister's distraction over the past two years with the current pressure of federal-provincial relations, but one must conclude either that he has not sufficient time for the present major issues confronting women in our society, or the government feels it is sufficiently unimportant to bother appointing someone who might effectively bear these important responsibilities.

There is far too much that one could recite about the present sorry performance of the government and concerning its attitude toward women in the work force. A notable example of the current direction of federal policy was the action of this government in introducing Bill C-14 last fall. As the chairman of the Advisory Council on the Status of Women pointed out, there was no advance consultation with that council or with the National Action Committee, the umbrella organization that represents 140 women's groups across the country. It was sprung on them, so to speak. Even after it went into direct correspondence with the minister about those specific areas of amendments which would do severe damage to women in the work force, in many instances the minister quoted statistics that bore no relationship to the facts. Inadvertently, the Minister of Employment and Immigration has indicated the difficulties he has created for women.

It is interesting that in his communication to the Advisory Council on February 14, he indicated that women will suffer disproportionately from the establishment, for instance, of a 20-hour weekly minimum for insurability. He pointed out that a 2.4 per cent reduction of the total benefits would occur for women compared to a 0.7 per cent reduction for male claimants. That so disturbed the joint meeting of provincial and federal advisory councils that they appealed directly to the Canadian Human Rights Commission for a decision with respect to direct discrimination against women in this act.

I am only going to deal specifically with part time workers. The advisory council had five specific objections to Bill C-14 and the National Action Committee had three. In a letter to the Minister of Employment and Immigration on January 29, they pointed out that women make up 71 per cent of part-time workers in Canada. When they raised this with an official of the Employment and Immigration Commission, he replied:

> We simply do not have the data base to do that study (of part-time workers, 71 per cent of whom are women). We are now trying to determine the impact of this particular change (20 hours per week) but I am afraid that that information will not be available to us early enough to make a judgment as to whether or not the impact will be as severe as you have claimed—

● (1530)

What kind of nonsense is that, Mr. Speaker. With a major change in federal policy respecting part time work, the officials from the Employment and Immigration Commission tell us they do not have the facts in terms of impact and the minister is left to give statistics which, by themselves, certainly indicate severe and deliberate discrimination.

The following was drawn to the attention of the minister responsible for the status of women, and to his colleague the Minister of Employment and Immigration, in a meeting of federal cabinet ministers which took place in Toronto on February 22. This statement is taken from the brief of the National Action Committee:

> —the economic outlook for women now is less encouraging and more desperate than it was a year ago. Women have the highest unemployment rate of any group in the country and yet actions taken by your government in the intervening months have almost without exception tended to make matters worse for women.

In defence of this situation the government talks about growing participation rates creating higher unemployment situations for women, ignoring the historical reality that traditionally women have had lower unemployment rates, certainly during the 1940s and 1950s, than over the last year or so. This government not only fails to recognize the acute problem created for women because of the federal policy it is imposing, but it tries to make out that there is no particular problem.

In Toronto on February 21 I served on a panel with the Parliamentary Secretary to the Minister of Employment and Immigration (Mr. Maine). This was a public forum concerning women and unemployment. When he was trying to defend the cancellation of the federal government's program with respect to the outreach program and training and re-training for women, he said, I suppose as a final act of desperation: "But women can in no way feel severely disadvantaged just because they are women". As I recall, he added the offhand remark: "What is so special about women?" I do not know where that particular individual and his minister live, but they have not looked closely at the situation either in the private or the public sector.

I will say a few words shortly about the situation respecting the public sector particularly because that is an area of basic responsibility for this minister and the government. There are serious implications about the general trend of development of government policy. Members will recall when we were debating Bill C-10 in this House respecting changes in the family allowances and the new child tax credit that concern was raised by the hon. member for Kingston and the Islands (Miss MacDonald), myself and others about the very bad precedent that would be established in terms of lumping the husband's and wife's income together for the purposes of computing the child tax credit. As we pointed out on that occasion to the Minister of National Health and Welfare (Miss Bégin), this could create a serious precedent in terms of future amendments to the Income Tax Act and to the unemployment insurance program.

I believe the minister at that time treated these comments as being wildly out of line compared to the possibilities that might occur. In case she has not heard, her colleague the Minister of Employment and Immigration made a speech on March 5. In it he referred to unemployment insurance and changes in the Unemployment Insurance Act. He said:

> I am considering producing a "green paper", in which the problems of the program and alternatives to these problems could be spelled out. For example, there are some strong suggestions that the program ought to be restructured to take account of family income.

I trust he has shared that new development with his colleague the Minister of National Health and Welfare.

Perhaps one other comment is worth noting at this point. It concerns the government's attitude on its withdrawal from the important aspect of assisting women into the work force. One of the central issues over the past few months has been the cutback with respect to the women's Outreach program. The Minister of Employment and Immigration, in seeking to explain much of the criticism he was receiving, offered this one defence for the withdrawal of the Outreach program. It is indicative of this government. He said:

> Many of the women's Outreach projects were started in 1975 during International Women's Year and, because the normal duration for funding is three and a half years, many of the projects are coming to the end of their funding period.

The secret is now out. We were prepared to do things in a particular year because it was the "in" thing. The button which the minister responsible for the status of women used to wear proudly in this House which said "Why Not?" was the fad of 1975. Now we have it in holy writ that three and a half years is as long as anyone will get for any particular funding program. That is the end of that exercise. It is now "on to other and more important things".

I want to speak briefly about the situation of immigrant women workers. Nowhere does the government's present policy toward women seem more harsh and shameful than its attitude with respect to immigrant women workers. Increas-

ingly over the last decade immigrant women, either as landed immigrants or as visitors, have been brought to Canada primarily for the purpose of employment in "sweat shops" or low income work. Not only does the federal government fail to act by taking appropriate measures to improve their situation, but it ensures that there will continue to be a sufficient supply of these low income people.

The situation is even worse than that. Under the new immigration act more barriers are put in the way of those who come here to offer low paid work in terms of attaining landed immigrant status. The most dramatic example is the recent decision of the Department of Employment and Immigration with respect to Jamaican women and the government's present unbelievable attempt through the courts to prevent the Human Rights Commission from investigating aspects of discrimination which might have existed in this case. The recent report to the Advisory Council on the Status of Women by Sheila Arnopoulos pointing out the problems of immigrant women in the Canadian labour force indicates how the government adds to the exploitation, if you like, of those who come here to do domestic work.

It is clear that the government in recent years has taken a new direction with respect to immigrant women. It should be pointed out, as Sheila Arnopoulos does in her paper, that the permanent use of foreigners on temporary permits to do jobs which Canadians find unacceptable is not in the tradition of Canadian immigration practice. It is clearly a case of the exploitation of any possibility of compensation at some present or future time.

As hon. members know, I have been particularly concerned about the situation with respect to the performance by the government in its own employment practices in the public service. I have asked the minister repeatedly in this House to give a clear accounting, department by department, of what is happening to women in the public service. I have asked him to tell us where in real terms we have made progress, what goals have been achieved, what structures have been in place and where progress still needs to be made. All we receive are occasional generalized remarks, self-serving ones at that, which do little to encourage confidence or give a clear report as to what has transpired.

The advisory council, almost on an annual basis, has published report after report indicating the difficulties for women in the public service. Its most recent report has indicated again that in spite of cabinet directives in 1972 and 1975 the government's own employment practices respecting women, to use the words of the advisory council, have been a failure. I hope that the minister will indicate today why this has been so. For instance, why has it been, in comparing two programs that have tried to end discrimination in the public service, that there has been such inequality of staff support? Hopefully the minister will tell us directly why, in Treasury Board, with respect to the official languages program we have a staff of around 45 people and a budget of something over $1,300,000 but with respect to the area of equal opportunity we have a staff of two with no budget. Why has it taken, I don't know exactly how many years because it depends where one starts to count, but at least three and perhaps six years to have one full time person per department managing and working on equal opportunities? Last year I think there were about 15 people. Now we are up to 20. That figure is still less than half the number of departments.

A few days ago the minister told me that we are making progress, that we have a full time person in the major departments and it is not really necessary to have a full time person for the smaller ones; but perhaps the minister could tell us if there is a kind of two department policy within his government. Does he believe some departments must be more responsible with respect to equal opportunities than others? This would appear to be the case.

● (1540)

It is clear that in the last few years we have seen a subtle but real shift in the government's over-all approach to women in the work force. It is one with disturbing dimensions for it is reminiscent of the situation that existed in the 1930s and following the Second World War when the gains that had been made during the previous period in terms of opportunities for women in the work force had been dramatically reversed. The royal commission on the status of women very clearly pointed this out in its report on page 54, if the minister would like to refresh his memory.

In both instances it is interesting to note that the government played a major role in leading that reversal. This is what we do not want to see happen at this time of economic difficulties for the country and for this government. This is why we, Mr. Speaker, are committed to the unqualified right of women to work in any and all fields of endeavour and believe that it is the right and the responsibility of the federal government, as the largest employer of women in the country, to set an example both for the private sector and for other elements of the public sector in this country.

The recent report of the advisory council on barriers to equal opportunity points out that the federal government has lagged behind the public sector, incredibly enough, in its own employment practices in respect to women. I note with interest that yesterday, in the Speech from the Throne at Queen's Park, there was included this paragraph:

> In addition to the ongoing programs of the Women's Bureau and the Women's Crown Employees Office, the Ministry of Labour will establish an Equal Opportunities Advisory Committee composed of senior labour and management representatives.

We believe that employment programs, policies and practices should indeed be based on the fundamental premise of the equality of women and of their right to work. More than that, we believe that economic planning that is so important to a healthy and fully functioning economy should reflect the reality that women will continue to want to work and play a major role in the economy, contrary to what the Minister of Finance said to me the other day when I asked about his projection of declining members of women in the work force. He said:

—it is obvious that the rate of increase has been very high in the last few years. We do not object to it.

We believe that the influx of women into the labour market is not only not a temporary aberration or a pathological problem to be managed and if possible reduced, but a new opportunity to expand and enlarge skills and opportunities for the whole of our economy. In more specific terms, and my colleague from Kingston and the Islands will deal with this, we believe that the present pension situation with respect to women and particularly elderly women is atrocious. Particular emphasis must be placed on the relationship of long periods of dependency, low wages and resulting low pensions.

We believe that the time is long past for us to have a clear set of publicly enunciated goals indicating how the federal government is going to put its own house in order with respect to equal opportunities for women. The directions that were set out in 1972 and 1975 should be clearly defined in a detailed manner.

There should be, as the minister has promised, a response and a public accounting of what has happened year by year with regard to the implementation of equal opportunity programs. The annual reports which apparently for the past two or three years have been made to Treasury Board and the evaluation, department by department, of the implementation of equal opportunity programs should now be made available to the general public. Structures must be firmly in place if any real progress is to be achieved on a cumulative basis.

There are a number of other measures we would take, measures which I think are becoming increasingly obvious. I am troubled by the fact that this is a year in which we are going to celebrate the fiftieth anniversary of women being recognized as persons under the British North America Act. It could be an important year with respect to progress for women in the work force, something that is very much needed in our economy. However, the likelihood with the current drift and indecision of this government, and at times actual opposition to women in employment, is that we will have to move further motions like this and continue to raise questions until we can get some kind of appropriate action.

Hon. Marc Lalonde (Minister of Justice): Mr. Speaker, I am delighted that the opposition has decided to precede International Women's Day with a debate on women in employment. In spite of the strong words of the hon. member for Egmont (Mr. MacDonald), words that I suspect are not always shared by his colleagues, this new and quasi-annual commitment to women seems to be at variance with some of their other notions about economic policy.

I have said many times that women want to, need to and, most important, have a right to work. We recognized ten years ago that the government could and would make changes to legislation to improve the status of women.

[*Translation*]

Mr. Speaker, I can say that the present government has been committed for a long time to improving the status of women. I do not intend to review all its accomplishments in this area. I need only remind the House that Canada was the first member of the United Nations to establish a Royal Commission on the Status of Women. Canada was among the first, if not the first, to create the function of minister responsible for the status of women, as well as an Advisory Council on the Status of women.

Moreover, we have translated our philosophy into action through major changes to our programs and through basic legislative amendments. Those are, of course, prerequisites to provide opportunities for women within the economy. I readily recognize that the measures already adopted might not be the final answer, but it is surely a step in the right direction.

Hon. members will remember the numerous measures that were taken since the early seventies, especially in 1971 following the report of the Royal Commission on the Status of Women. When that report was tabled, the government proceeded to amend many statutes in order to remove any form of discrimination in existing federal statutes. We did not stop there, since we acted not only at the legislative level but also at the executive level by promoting women from the economic point of view within the federal civil service and in areas coming under federal jurisdiction. I remind the previous speaker that only recently, in the past few years, in 1975, this government introduced in the House an omnibus bill on the status of women, a bill amending eleven federal statutes to ensure equal opportunities for women.

Similarly, in 1975 the federal government passed a law authorizing the payment of allowances to persons aged 60 to 65 whose spouses receive the old age pension or the guaranteed income supplement. Obviously those benefits went mostly to senior citizens of the female sex. In 1976 the Unemployment Insurance Act was amended to allow women to determine during which 15 weeks out of a 26-week period, they would receive the unemployment insurance maternity benefits. In 1977 a law was passed allowing credits accrued in the Canada Pension Plan and the Quebec Pension Plan to be shared upon dissolution of a marriage.

In 1977 the Bill of Rights was passed forbidding any discrimination based on sex and ensuring equal remuneration for equal work to every person working within federal jurisdiction. I must mention, in passing, that the federal parliament was the only government to pass such a law. No provincial legislature, at this time, has gone as far in that direction.

In 1978, very recently, a major amendment was passed to the Income Tax Act providing for a reimbursable tax credit to the mother or father of a single-parent family. That credit is based on the family income and can amount to as much as $200 a child. It is very clear that this measure will be of particular assistance to single-parent families and especially those whose head is a woman. The net benefits resulting from that act will clearly be advantageous to the underprivileged women in our society. Those are only a few of the measures which have been adopted. I have already indicated that other

legislation, for instance, dealing with sexual matters under the provisions of the Criminal Code will soon be introduced in the House, as well as other measures now being drafted.

● (1550)

[*English*]

What is important to remember is that we are acting not only in the legislative field but in the economic field, the social field and the cultural field. In these areas one cannot change history overnight or even in a decade. The demands on the economy and the expectations men and women have of their society reflect centuries of social and cultural attitudes which we are working to change.

Obviously, governments and political leaders have a major role to play in this respect but all other agencies in society also have a role to play. The federal government has a responsibility but the provinces also have a large responsibility which we should not ignore. As the House knows, the provinces have complete jurisdiction over education, health and social services, the administration of justice and a large proportion of the labour laws. In large measure they determine the availability of training through apprenticeship, particularly in the so-called non-traditional sectors.

As we developed during the years our programs for the improvement of the economic position of women, we were very surprised to find that most provincial governments and political leaders seemed unaware of their responsibility to women. We were even more surprised at the comment of the hon. member for St. John's East (Mr. McGrath) recently that such steps would, and I quote, "create a terrible conflict" between a woman's natural instinct to stay at home and her natural instinct to provide for her financial well-being and for her pension. Frankly, we did not realize that women had such a "strong instinct to stay at home", to use the words of the hon. member.

Let us consider just one area of economic importance to working parents—day care. Let me remind hon. members how day care is financed. In 1974, the Department of National Health and Welfare introduced new day care policy guidelines under the Canada Assistance Plan. Under this plan it is up to the provinces to decide on priorities. If day care spending decreases, it is because provinces like Ontario and Manitoba, good Conservative provinces, have decided it is not important. The federal government matches what the provinces put in. We cannot match dollars which have not been spent.

Still in the area of services, the federal government has led the way in funding important demonstration projects such as the new Women's Centre in Montreal, the Ottawa-Hull Rape Crisis Centre and the Vancouver women's health project. Countless projects for women were initiated through job creation projects.

But let me remind the opposition that many of our provincial colleagues do not like this very much. As a matter of fact, we received continuous representation and objections from the provinces when the federal government was financing services of this nature over an extended period. We have led the way and we can do so through demonstration projects, but only for a relatively short period—three years, for instance. We do not have the jurisdiction to engage in the financing and supervision of social services of a permanent nature. That is a responsibility of the provinces and I am sorry to say that in general the provinces have not been quick to reallocate their resources to accommodate women's needs. Nonetheless, we do intend to continue to encourage the provinces in all possible ways to see that these essential changes do occur.

The opposition says it is concerned about pension benefits available to women. So are we, and we have done something about it. We increased the GIS by $20 this January. We are the ones who introduced the spouse's allowance and in future we shall be bringing forward more amendments for the improvement of pensions.

Again, though, we can act only on one part of the pension legislation. The Canada Pension Plan, for instance, can only be amended with the consent of two-thirds of the provinces with two-thirds of the population, and the whole area of private pensions lies overwhelmingly under provincial jurisdiction. Two years ago we agreed to amend the Canada Pension Plan to permit the splitting of pension credits on divorce. The provinces agreed and we were happy with it.

We wanted also to recognize the important contribution made by home makers through a special drop-out provision in the plan. What happened? Most provinces agreed with us but the biggest Conservative government of them all, the government of Ontario, would not accept that amendment. I was interested, almost amused, to hear the hon. member's reference to what was said in the Speech from the Throne delivered in Ontario yesterday. I would have been happier had Ontario lifted its veto on this very worth-while proposal which would benefit many thousands of women in Canada and which has received the support of all the other provinces along with that of the federal government.

The federal government is committed to recognizing the importance of the role of women in the economy. That is why, for example, women in Spence Bay in the Arctic have been receiving LEAP funding to make high-fashion coats and parkas that are marketed down south; that is why the northern pipeline agency has contracted with the Vancouver Women's Research Centre to examine the role of women in relation to that project. I could go on to quote hundreds of cases where funding has been made available through various federal departments.

We have expressed our support for the improvement of economic opportunities for women. This is shown not only by the direct actions we have taken but by what has happened in the economy. Notwithstanding what the hon. member for Egmont has said, in the last year 324,000 new jobs were created. Out of this number, 207,000, almost 64 per cent, were filled by women. We are pleased that more women are working. We are pleased that the broad economic policies of this government have not only created more jobs than ever in the history of this country but also that women have benefited from those policies more than ever in the past.

● (1600)

I said a year ago in this debate, and it must be said again, that the federal government is not trying to hide the problems unemployment poses for women. Since 1966 the Canadian labour force has increased by 37 per cent due to population growth, immigration and rising participation rates generally. There has been a steady increase in the labour force participation rates of women of all ages, and adult women in particular. In the period between 1966 and 1976 the Canadian labour force participation rate of women rose from roughly 34 per cent to 45 per cent, with the greatest increase in that age group often termed primary age; that is, the age group between 25 and 44. The participation rate of adult women alone increased by 59 per cent over that same period. In aggregate terms the economy responded well to the demands of women for employment. Employment growth among adult women relative to their population compared with that among youth and adult males increased substantially over the last ten years.

As I pointed out, women have been entering the labour force, not just out of a need for self-fulfilment—which is valid in itself—but increasingly for economic reasons, to support themselves and their families, whereas in the past women tended to enter the labour force during good times and to drop out during bad times. Their persistently high participation rate suggests that women in the work force is a phenomenon here to say, and it is one which we welcome.

What is important to recall, however, is that this is not something which can be dealt with by the federal government alone. The federal parliament has authority over only about 10 per cent of the work force of this country. Only about 10 per cent of the work force comes under the federal jurisdiction. The other 90 per cent is controlled, regulated and legislated about by the provinces in this country. That implies that provincial governments have large responsibilities as well as the federal government. It also implies a large role for unions.

I would like to pay tribute here to women leaders of the labour movement such as Shirley Carr, Grace Hartman and Nadine Hunt. I know that in spite of considerable efforts the union movement has its problems too in focusing on women's issues. Some unions are just now getting around to hiring status of women co-ordinators. We began in 1971.

I would like now to say a few words about the public service.

[*Translation*]

Early this year I was happy to receive from the Advisory Council their report entitled: "Women in the Public Service: Barriers to Equal Opportunity." We are aware of the need to multiply our efforts in that regard. Mr. Speaker, why do you think we have set up the Canadian Advisory Council on the Status of Women in 1973? It was precisely to play that role of advisor and critic with the federal government and to inform the public. Finally, I am happy that after their occasional criticisms the opposition members realize at last the existence of that council and the valuable help they give to all of us.

The latest directives from Treasury Board to the department restate the government's commitment and insist precisely on those same points raised and highlighted by the advisory council, namely increased involvement of management in the planning, implementation and control of the equal opportunity program for women.

We have established qualitative and quantitative objectives to ensure fairer representation and better distribution of women at the various levels of the public service, not to mention greater job diversification for women. Deputy ministers are accountable for the programs of their respective departments. From the beginning of next financial year, departmental plans on equal opportunity for women will be made public. Once again, we have established objectives and will concentrate our effort in order to achieve them. Had the opposition really wanted to gain an insight into the matter, they would certainly have insisted on inviting Public Service Commission Chairman Edgar Gallant to appear before a parliamentary committee. Unfortunately it is easier to have only half-truths, as was the case with statistics on surplus staff.

Hon. members opposite did not even try to check the facts because if they had, they would have seen that a good number of surplus employees are nurses who work in federal hospitals, which are now transferred to the provinces. Those nurses still appear in federal government statistics on surplus personnel so as to give them priority status if they want to find a job with the federal government. So, in fact they are now employed by the provincial governments in the hospitals which were transferred from the federal government to the provinces.

[*English*]

These are facts opposition members could easily have found if they had bothered to check. These are facts which they could have obtained from the Public Service Commission just by asking. These are facts they could have gone into extensively with the chairman of the Public Service Commission, if they had bothered to ask him to appear before a parliamentary committee to explain the policies of the Public Service Commission, which is an independent body answerable to this parliament. Opposition members could have asked the commission to explain what it was doing, where it was going and what problems it was facing, but no, the Conservatives prefer to stay at the level of generalities and half-truths. They assume things which are just not true.

We have direct leverage in order in council appointments, and it is where we have direct leverage that we feel we are making headway. I examined statistics regarding order in council appointments, and I was pleased to see that in that area we are proceeding at a faster rate than the rate at which the public service generally is proceeding. The public service is regulated by public service legislation and, obviously, by the Public Service Commission.

In the last few years we have roughly doubled the percentage of women being appointed by order in council; that is, by the cabinet. These appointments have not been purely to

honorary functions or to positions without responsibility. In my own area of responsibility the number of women appointed judges of superior and supreme courts has increased very substantially. There are women who are presidents of Crown corporations. The president of the Economic Council of Canada is a woman. The president of the National Gallery of Canada is a woman, the first in the world. Women sit on all kinds of boards in the various departments. These are things this government has done. We have led the public service and, I might add, we have led provincial Conservative governments by a very wide margin indeed.

● (1610)

Conservatives have made a great fuss about the size of the public service. Repeatedly they tell us that they do not want the public service to lead or to increase. As a matter of fact, they want to cut 60,000 jobs, according to the hon. Leader of the Opposition (Mr. Clark). Does that mean they intend to cut out the progress we have made in equal opportunity? I heard the hon. member talk about equal opportunities officers in departments. If they cut 60,000 jobs in the public service, where will they find their equal opportunities officers? I am amazed that a party which wants to cut 60,000 public servants will appoint full time equal opportunities officers in small departments and councils that have only 30 or 40 employees. Is that the type of management the opposition is offering to the country?

Mr. Benjamin: It is called working both sides of the street.

Mr. Lalonde: I am afraid the hon. member opposite is quite correct in that respect. We believe in comparability with the private sector, but not without catch-up for disadvantaged workers. The hon. member for Scarborough East, the Minister of Labour (Mr. O'Connell), made that clear when we received the National Action Committee brief two weeks ago.

We believe in ending job ghettos. That is why we have a federal Human Rights Act which indicates there shall be equal pay for work of equal value.

Mr. MacDonald (Egmont): Job ghettos in the public service?

Mr. Lalonde: We believe women should be trained for, and have the opportunity to work in, a wide range of jobs. That is why we have minimum quotas in non-traditional job training. That is why all government publications must stress the diversity of opportunities within the public service. We believe child care costs must be considered as part of a family's working costs. That is why we amended the Income Tax Act in 1972 and why we want to examine further changes to that act.

We believe the pension situation for women must change. That is why we changed the Public Service Superannuation Act and the Canada Pension Plan. That is why we will introduce more changes soon. That is why we have asked the Economic Council of Canada to undertake a major study on women in the economy: the nature of their participation and its effect on their dependence.

We believe immigrant women must receive language assistance and be treated fairly by employers. That is why our work plan for the future addresses these questions. That is why the Canada Employment and Immigration Commission has officials studying the problems of domestics in particular. But I must remind the House, and the opposition in particular, of the importance of provincial labour legislation in this field and the great deficiencies which exist in that regard in most provinces at the present time.

We believe women workers need protection. For example, they need protection from workplace hazards during pregnancy. This will be an important focus of the work of the recently established Centre for Occupational Health and Safety. That is why we introduced maternity benefits under UIC in 1971. Moreover, that is why we are making changes this year to allow more flexibility in using those benefits. We recognize times have changed since 1971. More fathers would like the option of looking after their new babies. Also adoptive parents feel they should have this kind of income support. For these reasons, in the future we envisage a parental insurance scheme which could accommodate this changing pattern of shared family responsibility.

[*Translation*]

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. minister, but I must advise him that his allocated time has expired. He may, however, go on with the unanimous consent of the House.

[*English*]

Is there consent to allow the hon. minister to complete his remarks?

Some hon. Members: Agreed.

Mr. Lalonde: I thank hon. members of the opposition for their co-operation. Let me say that the government has recognized in the past and continues to recognize the right of women to work, the need to ensure opportunities are available and the need in the foreseeable future for special measures to improve their place in the economy.

We spell out our program in a document which I will make public today. I should like to table it in the House if there is agreement by all parties. It is entitled: "Towards Equality for Women". We are committed to improving women's place in the economy and society. In spite of the annual concern of the opposition, apparently the message has not reached the ranks of the Tories. When one Ottawa Centre Conservative campaign worker was questioned about the Conservative platform on women, a member of the National Action Committee on the Status of Women was told the following:

> You know, you ladies don't have as much support as you think. Women just aren't an issue in this campaign.

If that is what Tory workers are thinking, the hon. member for Egmont has a lot of evangelizing to do. "Towards Equality for Women" is the federal government's contribution to the United Nations world plan of action. The document consti-

tutes the federal government's main program of action on the status of women's issues between now and 1985.

[*Translation*]

"Towards Equality for Women" is the result of recommendations and representations submitted by the Advisory Council on the Status of Women, by women's associations and individuals in recent years. "Towards Equality for Women" reflects the federal government's commitment to fight vigourously against all barriers to equality of opportunities for women and to launch deep reforms through legislative amendments suggested by the Royal Commission on the Status of Women.

[*English*]

Through the plan resources will be reallocated, both at the level of policy development and program support, to respond to women's increasing participation in the economy and the wide wage gap between men and women. Women's problems in the labour force will be addressed as a separate agenda item by an economic conference of first ministers in 1979. Discussions will begin immediately with the provinces to increase trades training for women in non-traditional occupations and apprenticeship programs. Economic development policies will be reviewed to assess their specific effects on women with a view to increasing their participation in high wage work. Education grants to labour unions will be redirected to ensure that they will benefit women workers.

[*Translation*]

A task force on women and employment will be created shortly under the leadership of the co-ordinator of women status Canada. The Economic Council of Canada will be asked to inquire into the status of women in the economy. Reviews of policies relating to pensions will be centered on problems particular to women. The plan also includes the first steps of an important inquiry into violence against women stressing the need to consult with the provinces to ensure that services are in accordance with women's needs.

● (1620)

[*English*]

A national clearing house for information on victims of family violence and sexual assault will be established. More research and program support will be directed towards health promotion in the areas of safety of contraceptives, occupational and environmental health hazards, alcohol, drug addiction and nutrition.

Federal policies will be assessed for their effects on the parental roles of men and women, and the feasibility of a parental insurance scheme to replace maternity benefits under the Unemployment Insurance Act will be examined.

[*Translation*]

We will analyse the conditions under which joint custody could be exercised after a divorce, keeping in mind the children's right to maintain relations with both parents. We will negotiate with the provinces and take the necessary steps to improve the enforcement of alimony orders. The government also recognizes that income tax abatements for child support are not having the intended results. We will therefore consider other measures. We will reinforce the equal opportunity programs within the public service by insisting that managers assume a greater responsibility, by making relevant ministerial plans public and by correcting the classification systems which impede the promotion of women. We will prepare directives to eliminate all sex-typing in government publications and teaching aids.

[*English*]

In all work being undertaken in relation to this plan, the government will consult with the Canadian Advisory Council on the Status of Women. In addition, it will seek out advice from experts on women's issues. The plan will strengthen the mandate of the co-ordinator's office in relation to policies of all departments so that focus on the implications of all government policies on women is increased.

[*Translation*]

Finally, by informing people of the content of the five-year plan, we are encouraging everyone to monitor its implementation and launching a vast debate on this whole matter.

[*English*]

In the many areas affecting women under provincial and territorial jurisdiction, action by the provinces and territories is crucial to achieving equality, and we will welcome any steps that are taken by provincial governments in this regard.

[*Translation*]

The five-year plan is the symbol of our continuing commitment to work towards still greater equality for women.

[*English*]

This document is not a working paper. It does represent a commitment by this government, and it does represent decisions that have been taken by the cabinet in all areas of activities of the federal government. I commend it to the House and I commend it to the women of Canada and to all Canadians, because each of us has a deep interest and a deep concern about the promotion of opportunities for all Canadian women.

Mr. Speaker, with the permission of the House I would like authority to table this document.

Mr. Deputy Speaker: Does the House consent to the minister tabling the document to which he has referred in order that it will be available to the public?

Some hon. Members: Agreed.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to commend most warmly my friend the hon. member for Egmont (Mr. MacDonald) for presenting this motion to the House today. I regret that it does not come to a vote. We would vote for it unanimously and with enthusiasm. I thank the hon. member also for his references to a motion that

was moved by my leader, the hon. member for Oshawa-Whitby (Mr. Broadbent), a year ago yesterday, as well as to other motions on which we have debated women's issues.

The Minister of Justice (Mr. Lalonde) seemed to enjoy referring to this as an annual exercise. I do not know where he is week after week, as hardly a week goes by without some of us on this side of the House asking questions concerning women's issues.

I took the trouble to look at the debate that took place on March 6, 1978, and one of the things that is interesting to me, and I was scanning it while the Minister of Justice was speaking, is that his speech today is practically the same speech he made last year. At least, it is the same kind of speech but for one alteration. He spent a good deal of time last year and this year trying to tell us what the government has done for women. The rest of his time was spent on attacking the party that brought in the motion. The one difference is that last year he attacked us; this year he has attacked the Progressive Conservatives.

I must say that I have a great deal of admiration for the gall displayed today by the Minister of Justice. I want to document that gall. He cited a number of things as evidence of the active concern of the Liberal government for the women of this country. If I miss any of them, forgive me, Mr. Speaker, as I took notes while he was proceeding.

One of the items he listed early in his catalogue was the spouse's allowance. He calls that doing something for the women of this country. That is one of the most discriminatory pieces of legislation we have on the statute books.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): It discriminates against women between 60 and 65 years of age who are of single status, whether single, divorced, widowed or what have you.

Then the next item, or one shortly after, was what the government had done by way of splitting the benefits under the Canada Pension Plan when there is a marriage breakdown. That is a big deal, Mr. Speaker. The minister is worried, of course, about the fact that the government did something else having to do with women who stay at home to rear their children in terms of Canada Pension Plan benefits, and he is concerned that the Ontario government did not go along with the proposal. May I point out to him that neither of these proposals, the splitting of benefits where the marriage breaks down or the proposal that was put forward regarding mothers who care for their children, touches the real problem in respect of the Canada Pension Plan, and that is that there is nothing in it and no equivalent to it for those women who work at home. There is no excuse at all for the government to stand up and boast about what it has done for women and, in that context, talk about the Canada Pension Plan, when it has left out any right under that plan for millions of Canadian women who stay at home.

The minister did not seem to like the idea that reference was made to some women having an instinct to stay at home. We suggest that women should have the choice. If they choose to work there should be a place for them out there in the work force and in the economy. If they stay at home, the contribution they make at home should be recognized just as much as the contributions made by their husbands who are out in the work force.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): The minister went on to cite as another example of this government's concern for women the enactment of the Canadian Human Rights Act and the setting up of the Canadian Human Rights Commission. I thought that even the gall he showed today would have been tempered by the fact that the hon. member for Egmont had already referred to the fact that this government is trying to get the courts to deny to the Canadian Human Rights Commission the right to deal with the case of the Jamaican women. I suggest that my reference to gall is well put.

Then the minister went on to talk about the projects for women that this government has undertaken—rape crisis centres, projects that have helped women to get employment, and providing counsel for them. Where has he been when day after day we on this side of the House have been questioning the Minister of Employment and Immigration (Mr. Cullen) as to why these projects are being denied additional funding. We have been at that minister and the Minister of National Health and Welfare (Miss Bégin) with this story, whether it is Outreach or other programs that are being cut back. This minister has the audacity to stand up today and cite that as an example of something which the government has done for women.

• (1630)

Somewhere down the line he talked about the jobs that had been created for women. He said—I forget the particular category to which he referred—that there are twice as many now as there were then. Of course, two is twice one.

With respect to the judiciary the minister told us that there are many more women being appointed to the bench today than in days gone by, but he did not give any figures. If the number has gone from three up to nine, that is a threefold increase, but it is still hardly substantial enough for a minister to boast about as a sign of what the government is doing for women.

He went on to talk about the jobs for women that the government has created. The government talks all the time about every job created, no matter whether by a private employer or by somebody in a home. Whenever anybody hires a person to do something, it adds to the statistics, and we have the government standing up and saying that it has created some hundreds of thousands of job in a year.

I will pass that subject by because I want to get to the fact which two or three of us on this side of the House tried to bring out the other day. I am referring to the apparent policy

of the government in this time of restraint to discriminate against women generally when it comes to layoffs. It is fine to say that more women have been hired, but when the government turns around and lays off proportionately more women than men, I do not know how the minister could have the gall to stand up in the House and say that the government's employment policy, particularly in the public service, is something which proves its dedication to the cause of women.

Mr. Douglas (Nanaimo-Cowichan-The Islands): His Gaul is divided into three parts.

Mr. Knowles (Winnipeg North Centre): My colleague the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) says that his Gaul is divided into three parts.

Mr. Orlikow: There is enough of it.

Mr. Knowles (Winnipeg North Centre): I hold in my hand, Mr. Speaker, statistics which came to some of us through the plain brown envelope route, and I believe that they are from the Public Service Commission. The minister was anxious for us to go to that particular commission for information. At any rate, the statistics are here and many people have them. If there are some who do not have these statistics, I suggest that they apply to the Ottawa women's lobby.

These statistics illustrate that in the professional and scientific category of the public service there are 18,000 male employees and 5,000 female employees. However, these are times of restraint and people have to be laid off. One would think with that proportion that probably three times as many men as women would be laid off. This government, which is supposedly devoted to the welfare and rights of women, does not work that way. It lays off 70 men and 90 women.

If one takes all the groups on this page of statistics, which have fewer than 50 per cent females working—and this is the key statistic—one finds that 18 per cent of the employees, in all those groups combined, are women; but when it comes to lay-offs, 40 per cent are women. Yet this minister stands up today and cites the government's employment policy in the public service as an example of what it has done for the women in this country, and how we should trust this government in the years that lie ahead, especially to the year 1985.

I will have something to say about 1985 in a moment. One wonders why the minister did not say 1984 as the year that this government will bring total disaster to this country. Time is passing, and I had better not use more statistics from that sheet, but, as I say, we accepted this challenge to get the figures, and the figures in my view do not support the minister's position that this government is carrying on an employment policy in the public service that is attuned to the rights and the needs of women. He can give statistics about the additional number that are being hired—and I would like to know what categories they are in—but the moment restraint is imposed and people have to be laid off, it is the women first.

We are not dealing with a sinking ship where the women are let off first. This is an employment policy which is totally out

of keeping with a supposed belief in the equality of women. I think that phrase which was attributed to the minister last year when he said that there is a "collective time lag between conviction and action" is a very lamentable situation.

I have made references about the minister having spoken last year and having given us this same line, except that last year he talked to us more than the Conservative party and this year he has talked more to the Conservative party than to us. I would like to read a paragraph from what the minister said in his speech last year. Once I have read it, I intend to present a challenge to the minister. The part I refer to is on page 3483 of *Hansard*, March 6, 1978: He referred to a number of areas in which studies should be undertaken and in which the government would hope to make improvements. Then he said:

> In order to have a fresh look at these and other questions which are of interest to women we have decided to develop a plan of action or global policy on the status of women. This will detail both legislation and practice necessary to achieve concrete goals between now and 1985, the end of the international decade for women. We have had initial discussions with the provinces on this question and we hope that many of them will be reviewing their own policies and programs with a view to responding to the needs of their citizens.

That is the paragraph which I wanted to quote, but I will also read the next one.

> As far as we are concerned, there are 25 government departments and about 100 officials who are involved in a complete review of all recommendations made to the government in all areas under its jurisdiction.

That was a pretty massive operation which the minister announced on March 6, 1978, when he stated that there would be a huge study involving 25 departments and 100 officials who were going to look at everything and who were going to develop a plan of action or global policy on the status of women geared to 1985.

I understand—as a matter of fact I have seen it though I do not have it in my possession—that that proposal was implemented in terms of a cabinet paper being produced, approved by the appropriate committee and confirmed by cabinet. The committee in question is the cabinet committee on social policy which made its decision with respect to this document on December 13, 1978. It was confirmed by the entire cabinet on December 21, 1978, and the document was deposited with the supervisor of cabinet papers on January 3, 1979. It is a very bulky document. It certainly fits what the minister said on March 6 last year about what the government was going to do.

As I said, I had that document in my possession for a short while, and I challenge the minister to make it public. The document he produced today, the little booklet in three or four colours, is obviously a public relations effort to try to kid the people of Canada into thinking that something is going to be done.

An hon. Member: It is an election ploy.

Mr. Knowles (Winnipeg North Centre): I challenge the minister to produce the real document in which the cabinet made its decisions as to what it intended to do or not to do.

Everyone knows of my intense interest in questions on pensions in so far as women are concerned. I find in the

reference in this cabinet paper to the study of the Department of Finance on pensions that there is a paragraph that says that there are no recommendations to be made regarding pensions for women except further study.

● (1640)

I find, in the section of that cabinet paper which deals with veterans affairs, the suggestion that steps must be taken to establish, equality between men ands women regardless of their various conditions and so on, but there is not a reference to the 48 per cent rule which is one of the most serious forms of discrimination against widows of disabled veterans. There is not a reference to it at all.

I looked in vain in the document for some reference to immigration. There is none. There is a reference to the Department of Employment and Immigration and there is going to be a study of employment matters and so on, but there is no reference to the proposal in the last paragraph of the motion before us today which reads as follows:

(4) adoption of policies that will put an end to the serious exploitation of immigrant women in the Canadian labour force.

There are calls for a study of the impact on our economy of women. We had that statement today from the minister; the government believes in keeping women in mind in the development of our economic structure. Wonderful!

As for the cabinet paper that was issued by the cabinet committee on social policy on December 13 last and confirmed in cabinet on December 21, the key line of which is "get this ready by 1985", there is really no hope in there for the women of this country that things will be any different at all.

If the minister is going to make public that classy coloured document that he tabled today, which is obviously a public relations effort, he should also table the document which tells the real story on what the cabinet does not intend to do for the women of this country.

In my view, there are many ways in which improvements could be made for the women of this country. We are all saying now that they have their right to be out in the work force, and they do; but unless they get equal pay for work of equal value, unless they get equal opportunity at the high level jobs as well as the low level jobs, those words are so much rhetoric.

I think we should take the minister up on his reference to the statement made about some women wanting to stay at home. I believe that women in this country should have that free choice. They should be able to work on an equal basis and if they choose to stay home they should not suffer discrimination because of that decision, particularly in terms of economic security during those working years and more particularly in terms of economic security when it comes time to retire.

When I am through, Mr. Speaker, my colleagues will probably congratulate me for not having devoted the whole of my speech to discrimination against women with respect to pensions, but I am not going to sit down without dealing with that matter. We still have all these ways in which we discriminate against women. There is nothing for them equivalent to what is in the Canada Pension Plan if they stay at home. I know the compilation of the plan is that it is a work-related scheme and all the rest, but there should be an equivalent for women who stay home, and until we get it we cannot talk about equality.

There is, then, the question of the spouse's allowance. For the minister to stand up and quote that as an example of doing something for women is more than I can understand. There are things that all of us here know about because we are involved in the process, but the people out there do not pay attention to things until the time comes. Every year I get a new crop of letters from women who have turned 60 or 61 who hear about the spouse's allowance and then find they cannot get it. They did not know about or pay attention to the legislation when it was introduced in 1975. I get letter after letter which asks how the government could pass that kind of law that would give something to a wife if she has a spouse she is living with who is 65 years of age or over, but nothing from the same legislation if she is widowed or single.

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the hon. member but his allotted time has expired. He may continue if there is unanimous consent. Does the hon. member have unanimous consent?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): I shall take only two or three minutes, Mr. Speaker, as I see an hon. member down the way wishes to speak.

I want to declaim again against the tradition that is still with us that says a widow's pension, whether it is under the Public Service Superannuation Act, the armed forces or in the private field, is only 50 per cent of the pension of the husband. I suppose if we go back to the days when pension plans were for husbands only, it was a step forward to get the 50 per cent survivor pension for the widow; but how can we justify that now? A man and wife live together, build their home, build for their future and the day comes when they retire. There are a certain number of dollars of pension, whether public or private. The day comes when one of them dies. If she dies first he gets 100 per cent of the pension, but if he dies first, she gets only 50 per cent of the pension.

We do a little better for ourselves as members of parliament. We seem to manage that. Even in our case, however, if a pensioned member of parliament dies first, his widow gets only 60 per cent, but if the wife dies first the member gets the 100 per cent pension. There is no defence for that in a society that says women have equal rights.

I say again, Mr. Speaker, that one of the serious deficiencies in our veterans legislation is in this field. I am not only prepared to admit we have made progress in recent years, I am prepared to assert it. It is a thrill for me to have been part of winning that improved legislation. Surely the time has come when the rights of women who are married to veterans should inure to them as persons in their own right. The widow who

has helped care for a veteran who was on a 40 per cent disability pension is just as much in need when he dies as is her sister down the street whose husband was on a 50 per cent pension. In one case there is the full widow's pension, and in the other case no pension at all. We have the problem of widows when the war veterans allowance runs out. It lasts for a year and then drops.

The cabinet document which I have seen says that the Department of Veterans Affairs is being asked to look at things in its legislation that are of concern to women, but there is nothing in there about the War Veterans Allowance Act, about allowances that are discontinued, and not a single reference to the 48 per cent rule.

This is a speech I often make, Mr. Speaker, to women's groups when they come to see me. They usually consist of younger women and they are not concerned about their pensions. I listen to them and then ask, what about pensions? I am diplomatic and tell them they are not of an age when they are thinking about pensions but that I think that is the most serious discrimination of all.

It is bad enough when women have a tough time in the work force or when they are at home instead of out working, but when the retirement years come and there is more for men than for women—and all statistics show that the section of our older community that is having the toughest time is women—that is not fair. It is not the equality that the people across the way try to talk about.

I commend my friend the hon. member for Egmont for producing this motion today. It is good that we are having this debate, as we had a similar debate a year ago. I would remind hon. members opposite, however, that it is not only once a year that they hear from us; they hear from us every week and they will go on hearing from us until something is done to establish real equality for the women of this country.

● (1650)

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, first I would like to express my sincere appreciation to the hon. member for Egmont (Mr. MacDonald) for putting forward such an important motion on the rights of women in Canada. This is not the first opportunity we have had in this House to discuss this parliament's responsibilities to women.

Hardly two months ago, I believe, we had the opportunity to discuss a motion I had the privilege of putting forward to invite all members seriously to consider recognizing the rights of homemakers. When we speak of salaries, jobs for women, the reference is always to women outside the home, whether women as secretaries, women as nurses, or women as workers in clothes manufacturing. But we forget the homemaker does a tremendous job, for which there are no records because she does not have to punch in and out. But she does a tremendous job nonetheless. Not only manual work in preparing meals, mending clothes and so on, but also a fantastic job of bringing up our children. A people having the privilege as we do to have mothers taking their responsibilities as educators is bound to grow, develop and play a tremendous role in the world.

I am therefore happy to see once more that hon. members who spoke before me seriously discussed this matter. I listened closely to the Minister of Justice (Mr. Lalonde) who earlier spoke to the motion and expressed most valuable views and ideas. And if the Minister of Justice took the time to remain in his seat this afternoon when he had so much to do, this shows how important the matter is. I commend him for that. Of course newspapers tomorrow will say a Social Credit member supports the government, pays tribute, offers congratulations. This does not worry me.

For my part, I want to say quite frankly that when someone in authority accepts his responsibilities towards the country, I believe we must say so and encourage him to do more. Of course we can criticize each other, but I believe this subject is too important for us to show any partisanship. Mr. Speaker, I consider this subject as the continuity of Women's Year a few years ago.

I recall with emotion, Mr. Speaker, the day when Mrs. Morin, who was then Deputy Speaker of the House of Commons and member of parliament for Louis-Hébert in Quebec city, was called upon by all members of the convention and all parliamentarians in Ankara, Turkey, to preside over a very special day, International Women's Day. I have already said this in the House and I want to say it again, she presided with great dignity over all our proceedings and all participants showed much consideration and seriousness in all their speeches made on International Women's Day. Mr. Speaker, not only in what we say but also in our legislation should we recognize the right of women to choose freely as is asked in the motion, which, I must note in passing, is quite well written, especially the first paragraph which reads as follows:

> That this House recognizes the unqualified right of women to work in any and all fields of endeavour and that it urges the government to set an example for the private sector—

Mr. Speaker, it is quite logical for all levels of government to set an example for the private sector, not only in the area mentioned in the motion, but in all other fields. We may invite our fellow citizens to practice such and such a virtue, for instance the virtue of economy, which is certainly a great virtue nowadays. I believe that it was very late last Sunday night on television that I saw a man who travelled to China with the Prime Minister (Mr. Trudeau) a few years ago. I may be wrong, but I believe that a book, entitled *Two Innocents in China* was published at that time. And this gentleman, one of these two innocents who are not as innocent as all that, was relating how they used to live in the family home. He did not name the village but it sounded familiar when he spoke of a small village in eastern Quebec. So he recalled, Mr. Speaker, that his mother, though she was not rich, had managed to give her family a reasonable standard of living and how they made

good use of things already used but not quite finished. And he gave what I considered a striking example, because I recall seeing my mother do this so many times. When she was breaking eggs to prepare meals she would put the shells one into another and then put them in the oven.

This man told me that when they were dry his mother would crush them and feed them back to the hens to help them produce eggs with a stronger shell. Mr. Speaker, those things may seem old fashioned but we shall have to come back to those customs and principles. We are living in a society where everybody has the right to spend—the more the better—and no one has to save. We talk about an energy crisis, but tomorrow it will be other kinds of crises. I say that there is a crisis among the population, caused by the absence of a cardinal virtue, that of economy. When I was a little boy I attended at the school of my village a conference given by Commander Desjardins, the founder of Caisses Populaires. My father let me go with him and we were not seated as comfortably as we can be these days. They were small hard benches with precious little room. For adults it was not enough, but for little boys like me, it was. So I heard Commander Desjardins talk about savings, the pooling of money to use in the parish or develop means of living, industries or the pooling of our small savings. Today, Mr. Speaker, when we talk about the virtues of saving as opposed to wasting, we are considered old fashioned.

Mr. Speaker, I think that we have the responsibility to go back to the practice of thriftiness. We administer Canada. We are 264 members responsible for legislating to administer our country, and this is called the legislative power. There is the executive power of ministers who implement the laws. Yet, if we go to the trouble of playing our role seriously and making sure that taxpayers' money is spent as wisely as we do in our homes, we shall witness a change in our country and enjoy a high level of prosperity. I am sure of this. It is certainly possible to manage our country efficiently and more economically. Telling others is a lot of fun; you are not compelled to do anything. But to tell oneself to do it and see that it is done with a view to setting an example so that the private sector can act accordingly would be to me of considerable help to the people.

Indeed, Mr. Speaker, I recall having recently toured Mauritius with a few colleagues. I saw with my own eyes women harvesting sugar cane. That is not an easy job. If our Canadian women had to do that kind of work, they would certainly feel like slaves. I saw that and my friends did too. It is really strenuous work.

Women would go out to the field early in the morning and come back late in the evening. They could be seen with their sickles—

Mr. Nystrom: It was very hot!

Mr. Lambert (Bellechasse): Yes, indeed, it was very hot, but they were doing their utmost to contribute to the prosperity of their country which had just become independent. Independence had been granted to them, so they were going out to work precisely in order to earn a living and thereby contribute to the prosperity of the country as a whole.

Let us talk about women's right to work, Mr. Speaker. In this country we sometimes hire cleaning women to ease the burden of elderly people in the upkeep of their homes. Nowadays such women are hard to come by. Yet there is nothing degrading in their job.

Before 8 a.m. this morning on the radio in my office I heard that there was a young man 20 years of age who was offering his services to perform housework. He just wanted to earn a living. He said he was willing to perform housework in private homes. Mr. Speaker, I indeed found it a wonderful thing for a young man 20 years of age to be willing to do housework. I think that this motion is an invitation for us to appreciate the splendid job performed by women and to let them know it. Is it not nice to enter a house and get a feeling of cleanliness around the place! Poverty does not mean that it has to be dirty.

An hon. Member: Even if there is no beauty!

Mr. Lambert (Bellechasse): Even if there is no beauty? There is no such thing as a woman who is not beautiful and when the hon. member for Verdun tells us there is no beauty he is insulting women—

Mr. Savard: Even if the house is not beautiful.

Mr. Lambert (Bellechasse): Oh, I see, he is talking about the house. But anyway for those who live in it the house is always beautiful.

Mr. Speaker, I would like to quote from a document used by the Minister of Justice (Mr. Lalonde) when he was still national health and welfare minister on April 4, 1974. In this document we can find statements which are still true today. I remember that one day I introduced a motion—I think it was last year—asking that women who want to stay at home get an income. But one female member of the House got up to say that it did not make sense. This is why I thought that quoting what the Minister of Justice and then minister of national health and welfare said just might help people think differently so that we could adopt as quickly as possible a formula for a guaranteed annual income. We could start with the mother who stays at home. For those who find this idea extraordinary or think it does not make sense, let us start with the case of the homemaker.

Here is what this document says.

The report of the Royal Commission on the Status of Women gives all the relevant data about this problem and advocates a number of concrete solutions clearly defined which could be considered in the future. It is said in this report that apart from some rare exceptions, the homemaker has to rely on her husband to have some money.

But as it happens often and we know that, as representatives we become almost confessors and we receive extraordinary confidences, but not to be specific, how many times have we heard a married woman say: "I feel embarrassed asking my husband for some money." And yet we all know she needs it. It is as necessary for her as for anybody else to have money to get what she fancies without having to ask her husband: "Give me a few dollars."

This is why we should correct this situation which is sometimes embarrassing for mothers and wives.

It says although they may be receiving family allowances, that money goes for the maintenance of the child and cannot be considered a payment. When Bill C-10 was being considered the Minister of National Health and Welfare (Miss Bégin) said that the family allowance was not intended for the mother but for the child. Some mothers understand that, and the minister of national health and welfare of the day understood also—

• (1700)

[*English*]

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the hon. member but his allotted time has expired. He may continue only with unanimous consent. Does the hon. member have consent?

Some hon. Members: Agreed.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, time really flies. I had not even realized that my 20 minutes were already up. So I thank my colleagues for giving me a few minutes to conclude my speech. I know there are other members who have interesting things to say. So I will conclude in a few seconds by saying that I wholeheartedly support the motion before us and I hope that the debate will serve as a starting point, that it will be a new effort to try and do more to allow women to have rights that will be recognized and upheld better not only when working outside the home but also inside the home.

Mothers watching us now who are having difficulty making ends meet and think what we are saying might prompt the government to ensure better distribution of the gross national output to give them a supplementary income which would be added to the income the father gets from working at the plant, the yard or anywhere he can to earn money. Then mothers would be proud to say: Finally, we are in a very civilized country in Canada and the role of mothers, of all married or unmarried women contributing to society is being recognized in a tangible way.

Mr. Speaker, I remember where we went during the last war when we needed soldiers. We went to homes with children where there were boys and girls to take on the responsibility of defending our freedoms, of defending Christianity. That is where we went. If those women were able to provide our country with the elements essential to our survival, let us be grateful enough to give them a recognition that will allow them to live honourably in this country on an equal basis with men.

• (1710)

[*English*]

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my first words must be addressed to the hon. member for Egmont (Mr. MacDonald) to compliment him on having introduced this motion today. I congratulate the hon. member for having done so just as on previous occasions I have congratulated the hon. member for Winnipeg North Centre (Mr. Knowles) for bringing this important subject to the floor of the House. How else, Mr. Speaker, do we ever get this issue discussed here if it is not through the initiatives of members of opposition parties? It is never the government which brings it forward. The minister who spoke earlier, the minister responsible for the status of women, has held that responsibility for five years yet only once in that five years has he taken personal initiative to bring the question of women's rights to the floor of this chamber. That is a shocking indictment.

The hon. member for Winnipeg North Centre said he admired the minister's gall for speaking as he did this afternoon. I do not know about that. I do not know whether I feel angered or saddened by the way the minister spoke. I say this because I find that with regard to women in the work force, with regard to their economic status, the government allows them to take one step forward and then forces them to take two steps backward in some kind of fancy gavotte.

The minister presented us with a public relations document, as it was called earlier. Mr. Speaker, if we had not initiated this debate today he would never have brought it into the House of Commons. He would have gone elsewhere, outside the chamber, to try to peddle his booklet. And what is it entitled? It is headed: "Towards Equality for Women". If he had only bothered to read the motion in the name of the hon. member for Egmont, he would have noticed that it states that we accept the fundamental premise of equality for women. We do not have to work toward it; we accept it as a fundamental premise in this country, whereas the government has said we are only moving toward equality for women, that this is not something which is accepted as one of the fundamental rights. That is what I mean by taking one step forward and two steps backward.

It is the attitude of the government on this whole question that forces us to bring this issue to the floor of the House of Commons time and time again. I am saddened by what the minister has said this afternoon because unfortunately he showed not the slightest glimmer of understanding the magnitude of this issue in all its perspectives and what it means to millions of people across this country. Nor has he recognized the role the federal government can play in providing leadership. All we got from him was a recital, once again, of short-term programs, ad hoc measures and stopgap procedures, all of which we have heard over and over again.

At the same time he lashed out at opposition parties, the provinces, the Public Service Commission and the trade unions. Why? Obviously because he feels a sense of remorse and guilt on this whole subject. I am staggered by the attitude of the minister. I have gone back over some of his speeches. I have looked at what he said to us in 1974 when International Women's Year was approaching. He said then:

I am honoured to be given the responsibility of guiding government policy in this area and I intend to devote a good deal of time and effort to bringing about the necessary changes in our laws and in our society so that women and men will be able to participate fully in all activities of life.

Five years later we get a document from him saying that women are going to be able to move toward equality. The minister was so honoured by his responsibility that since 1974 he has addressed this issue once in the House of Commons. When he is asked questions he always has some excuse to explain why he did not bring in a program, why he failed to secure a commitment on the part of the federal government to the full principle of equality for women.

Listening to the minister this afternoon I was reminded of a phrase from Macaulay. It goes like this:

● (1720)

From all the angelic ranks goes forth a groan, "How long, O Lord, how long?" The still small voice makes answer "Wait and see, O sons of glory, what the end shall be."

Mr. Speaker, it may stretch your imagination to see members of the opposition as the angelic ranks groaning "How long, O Lord, how long?" on this issue, but it takes less imagination to see the minister as the still small voice saying "wait and see, wait and see," particularly when he brings forward a document saying "Towards Equality". Yes, indeed, the tokenism of International Women's Year has been surpassed this afternoon. We no longer have just tokenism; we have empty words.

I do not lay the entire burden of this issue on the federal government, but I do expect the federal government to show leadership, and that is what has been lacking. I do not expect the government to be able to legislate attitudes or to move mountains, but I recall the words of a former colleague of mine who is now the chairman of the Human Rights Commission when he spoke on this subject some eight years ago. He said:

All that governments can really do is lead, that is their mandate. They can influence people because of the information they give and the leadership they exercise. They can lead people into changing attitudes and ways of thinking about problems.

What has this government done to lead people into changing attitudes and thinking about problems? I would say that in the five years the minister has been in his position, very little. Oh yes, we heard him this week. We heard him evade answers about what would happen when his colleague the Minister of Employment and Immigration (Mr. Cullen) moves to repeal the rights of immigrant women before the Human Rights Commission; he is moving to appeal to the Federal Court of Appeal. The minister responsible for the status of women evaded that question. He will not face up to it.

Women's Right to Work

When the President of the Treasury Board (Mr. Buchanan) announced a new policy this week about women, he said "Last hired, first fired". The minister responsible for the status of women did not enlarge on that. He evaded the issue once again. Is that changing attitudes? Is that providing leadership?

I am interested in several areas where government thinking should be changing to keep up with changing realities, but instead where government policy reflects anything but a change. In these areas the government's thinking is as rigid, unbending and unchanging as the rock of Gibraltar. I am thinking, first, of labour market projections and the planning which must go with them, planning which must be done at the federal level. The government's planning in relation to the job market does not reflect any change in ways of thinking about problems. Rather, it shows that the same old thinking is at work in not responding to exciting possibilities or potential regarding women in the work force. There is not that kind of thinking. Instead, we are locked into the same old problems. We are locked into facing this situation in a way which will add to women's problems rather than solve them.

I would like to direct the attention of the House to the government's economic forecasters in the Department of Finance and others who have predicted a labour shortage in the 1980s based on the belief that the increase in the participation rate for women in the work force will subside.

Last February the Department of Finance published a study on medium term economic trends, and in it the department predicted that the women's participation rate would rise from 46 per cent of the working age population in 1976 to 47.4 per cent in 1981, to 48.9 per cent in 1986 and to 49.5 per cent in 1990. That is what the government is basing its employment policies on, participation of women in the work force of 49.5 per cent in 1990.

These predictions upon which the government has been basing its economic and employment policies could not be more wrong. Already, in 1979, women have reached the participation rate in the work force which the planners predicted for 1986. A recent publication of the C. D. Howe Institute put it this way:

Labour-market analysts have consistently underestimated the growth of the Canadian labour force in the 1970s, mainly because they assumed the female participation rate must be reaching its upper limit.

The government's analysts were wrong about the 1970s, and they will be wrong about the 1980s because of their belief that the participation rate of women has peaked and will subside. On what is this belief based? On what are these projections based? Certainly not on the fact that women have more education, which they have, are demanding greater economic independence, which they are, or are having smaller families or even no families. Yet that is the reality in Canada today. Women have more education, are more independent and many are choosing to have fewer family responsibilities, all factors which point to increased rather than decreased participation in the work force. Yet the government blindly assumes that the influx of women into the work force has reached its peak.

Just recently the Organization for Economic Co-operation and Development predicted an 85.8 per cent participation rate for women in Sweden by 1990. Closer to home, even in the United States the prediction is a 60.8 per cent participation rate for women by 1980. Yet the Minister of Finance (Mr. Chrétien), clinging to the analysts' top rate of 49.5 per cent of Canadian women in the work force by 1980, says quite emphatically of the increased rate of participation of women in Canada, as reported by the Toronto *Star* of February 22: "We expect this rapid increase will taper off in the future". That is what the Minister of Finance says, and that is what the Minister of Employment and Immigration bases his employment policies on.

The Minister of Employment and Immigration says that we must look forward to a strategy which will help fill the employment gap over the next several years. How can he be so sure that there will be an employment gap? The Minister of Finance and the Minister of Employment and Immigration are attacking new problems with their old thinking. It has already been shown that that thinking is totally wrong. Why do they carry on with it? The reason they carry on with it is that they think and state that women wanting to work is just a passing phase. That is what they are thinking, and they base their planning on that. They think that this is an abberation which will pass.

Among other prestigious groups, the C. D. Howe Institute thinks otherwise. That institute looks at the situation realistically. Understanding that the factors contributing to the higher female participation rate—higher education, lower fertility and increased urbanization—are unlikely to change through the 1980s and 1990s, the institute says this:

> There are strong reasons for arguing that the behaviour of women will continue to change.

That is the assumption on which predictions about the job market should be based. Women in the work force are here to stay. They will join the work force in increasing numbers, and not just in programs like LEAP at Spence Bay, which the minister cited as an example of what the government has done.

There are almost four million women in the Canadian work force now, and there is no reason why we should not think there might be five million in another few years. Perhaps an additional million women will be in the work force, perhaps more, at a time when the traditional occupational roles for women are already becoming more than saturated.

● (1730)

Those are the matters the government should address itself to. I did not hear one word about them today. We will see more and more women coming into the work force and finding the traditional roles they occupy are no longer open to them. This kind of situation calls for imaginative thinking and planning on the part of the government. It calls for positive and innovative thinking of a kind which says: "What can we do to best marshal the potential of this group of people?" It does not call for the negative and stale thinking of the government which says: "What can we do to cope with this problem until things return to normal?" That is the kind of situation we have seen in government thinking over the years. It has brought about the situation we face today. It will not be diminished if we carry on with the lack of innovation which the government has shown in recent months and certainly prior to that.

If we take a positive and innovative approach to this situation, it could lead to new attitudes concerning work and training suitable for women. The new attitudes could have women filling the predicted shortages we hear so much about in the skilled trades. We have heard so much about shortages in sheet metal work, woodworking and a number of skilled trades such as electrical and plumbing. Skilled trades should be open to women far more than they are today. While it may be heartening to note that men are moving into the jobs of secretaries or bank clerks in a manner that they were not ten years ago, it is less heartening to note that women are not making much headway in the highly paid, skilled worker category. We need to break down the attitudinal barriers which keep women out of many occupations. The government can show the way to business, unions and the trade labour movement through its manpower training programs.

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. member that her allotted time has expired. She may continue with unanimous consent? Is there unanimous consent?

Some hon. Members: Agreed.

An hon. Member: No.

Miss Aideen Nicholson (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, the motion of the hon. member for Egmont (Mr. MacDonald) contains many articles. To some extent it has sprung from the complaints of the Advisory Council on the Status of Women which indicated that its advice was not requested before amendments to the Unemployment Insurance Act were introduced. It is understandable that the advisory committee would be unhappy about not being consulted, if indeed this was the case. However, the real answer to having policies which reflect the current needs of women is for every government department official to be aware of the impact of policies on women.

At the present time the major obstacles to the recruitment and promotion of women have been long since removed, but the difficulties which remain are more subtle and pervasive. Therefore, they require more vigilance and greater sophistication. Perhaps I might state my personal bias. I have always seen the struggle for women's rights as being very much in the context of human rights. Of course, this has been the tradition of the Canadian women's rights movement. The most effective measures to assist women in the labour force very often are ones which also have the effect of opening up certain jobs to young men or men with unusual qualifications.

A few moments ago I mentioned that most of the major obstacles to equality have been removed. I should like to list a few of these obstacles in so far as they affect federal govern-

ment employees. In 1971 the equal employment opportunities office in the Public Service Commission was set up. One must remember that it was established to ensure equal employment opportunities for women, native peoples and other traditionally disadvantaged groups. Also in 1971 there was the defence council direction that women be employed in the Canadian forces on the same basis as men in all classification except combatant, sea-going duties and isolated positions.

In 1971 the Unemployment Insurance Act included age, sex and marital status as prohibitive grounds for discrimination. Also in 1971 the Canada Labour Code prohibited discrimination on the grounds of sex and marital status.

In 1974 the Public Service Commission removed from its questionnaire and job application forms all mention of sex, age and numbers of dependants. Between 1971 and 1974 obvious discriminatory factors were removed, but we were left with matters which perhaps are more subtle and therefore require more vigilance.

In 1972 a cabinet direction required every government department to have a senior official whose duty was to consider the effects of policies on women. Of course, this official is quite separate from the equal opportunities for women employee. If the official concerned with policies at the Unemployment Insurance Commission had been as much concerned with style as with substance—and there are times when I think one must be—he or she would have moved earlier to get rid of the economists' jargon which refers to women as "secondary earners". It is economists' jargon but it offends. It offends for reasons concerned with the status of women at this time. Since women are just taking their places as permanent members of the labour force, it is offensive to apply the term "secondary earner" to someone who may work part time or may be required to take summers off to meet family responsibilities if there is no affordable child care available. The term "secondary earner" offends.

The comparable piece of economists' jargon which refers to men between the ages of 25 and 44 as "prime rate males" does not offend in the same way, because generally a 45-year old man is quite secure in his occupation or profession. He knows what his earnings are, what his pension plan is, and he is not upset by being categorized as non-prime rate.

It was more the style than what was done by the Unemployment Insurance Commission which raised a lot of distress. People have seen an unfortunate style as an indication of changing government policy. The essential change made in the act at that time was that part-time workers working less than 20 hours a week were no longer allowed to contribute to the unemployment insurance fund. This was the substantive change. Interestingly enough, the only complaint I received was from a male teacher in my constituency. He made the point that in the present state of things he cannot work more than 20 hours a week in one job, and that there is administrative rigidity in requiring people to work over 20 hours with one employer.

● (1740)

If, indeed, this particular exclusion from eligibility for unemployment insurance for people who work 20 hours a week or less with one employer is causing a hardship, it certainly should be reviewed. But this is only one indication of the long neglect of part-time workers of this country, and this has been a neglect by the employer and by unions. Part-time workers generally have not had access to pension plans, sickness benefits or even to regular pay increases, and unions have not considered that they have the same responsibilities for their part-time workers as for their full-time workers.

Since women, very often by reason of family responsibility, have no choice but to work part time when the money is needed, I think it is high time that part-time workers received more attention. That attention should be directed not only toward a possible change in respect of unemployment insurance benefits, but should also be directed toward the benefits they have and the treatment they receive when they are employed.

I might just mention here something about the attitude of unions to family responsibility, and I do not mean in any way to single out unions for particular criticism because I think in this regard they have been reflecting society's values. Recently when I took up the cudgels for a woman working in a Crown corporation who needed a shift change because of family responsibility, I found that management was willing to accommodate her but the union insisted that changes in shifts be handled strictly on the basis of seniority. I can see why, because it perhaps builds in a certain equity. But I suggest that it also might be equally important for unions and management jointly, whether in the federal civil service, the provincial civil service or in private industry, to look again at the treatment of part-time workers, and also to look at the question of whether seniority must always be the overriding factor or whether there are other parameters which should be looked at too.

I remind hon. members, too, that when the equal pay for work of equal value provision was written into our human rights legislation a couple of years ago there were unions which were unhappy about that and were afraid this might interfere with some of their traditional seniority requirements.

The federal government only controls or can regulate something like 10 per cent of the labour force, but it is obviously important that the trend or the example set should be models where possible.

It is interesting to note—and the full potential in this regard has not been realized—the access women have in the Department of National Defence. In a peacetime army the emphasis on trade and technical training is tremendous. Since the military is so performance oriented, the increase in the number of women with skilled training is perhaps an indication of the fact that in the army the woman who can perform a job competently quickly gets recognition for this and then more jobs start to open up. The tasks they do in the army are measurable, but also they have very good measurement techniques, and we have women in the army able to get into technical training more easily than they can in certain commu-

nity colleges in this country. In addition to their training they will also get experience that will stand them in good stead when they return to civilian life.

Another initiative of the federal government that has received rather less attention than it might, but which I think is having far-reaching benefits, is the voluntary compliance provision whereby firms doing business with the Government of Canada are expected to have, if not affirmative action programs, an awareness of the need to provide equal opportunities for women.

To return to what I said a little while ago about the need for subtlety and for better evaluation, we put a measure in place in the public service a long time ago which is not producing the results it should. This was a measure that includes on a classification form a space for voluntary experience. This has potential benefit for a woman who has been out of the labour force raising children but who in the course of that time may have gained tremendous administrative and organizational experience while working with voluntary organizations. The theory was that this would be recognized when a woman returned to work so that she might very well be able to enter at a position other than at the entry level.

This has not worked, and it has not worked because the techniques of evaluating that voluntary experience are not well developed. I think this is an important measure to develop. Again this is one which, in addition to benefiting women who have been out of the labour force, should also benefit the man who perhaps has not had very much formal education but who may have a tremendous commitment to his community, a lot of energy and ability that can be reflected in promotion if the system were able to evaluate it.

One of the other rigidities of the public service which sometimes limits the access of women to jobs is a built-in male bias that is not overt but occurs in terms of qualifications. For example, for a job as inspector under some of the regulatory authorities, if one of the job requirements is an absolute one of five years on a police force, the effect of that will be to exclude women. If the requirement is written with some equivalencies, then women who have had other kinds of experience in which they have developed an ability to assess conflicting facts and have shown an ability to evaluate conflicting evidence and produce factual reports, could qualify. Equally, men who do not have those rigid qualifications would be eligible.

Within the public service at this time we are at a stage for the most part of not needing new laws or regulations, but rather more subtle, more careful and more committed administration of what is in existence.

To return to the question of pensions, which I think has been addressed by almost every speaker, when middle and upper income people are pre-planning their retirement they usually have at least four planks; savings, the Canada Pension Plan or old age security, a pension plan from their work and perhaps some additional purchased retirement plan such as an RRSP. Low earners depend on the Canada Pension Plan and old age security or state provided plans. Women overwhelmingly find themselves in this position, partly because family responsibilities have taken them in and out of the labour force and they have not been able to build up credits. Even with the Canada Pension Plan their credits may be lower than they might have been.

• (1750)

Miss MacDonald: Oh, oh!

Miss Nicholson: The hon. member for Kingston and the Islands (Miss MacDonald) has had her time. If there is some particular reason why she would like the floor, perhaps she could advise me and I will sit down; otherwise I will continue.

Miss MacDonald: Very thin skinned.

Miss Nicholson: As I was saying before I was interrupted by noise from the other side, the majority of women are absent from the labour force for long periods during which they contribute to society by raising children. This reduces their ability to build up pension benefits in their own right and as a result each is dependent on her husband's financial planning for retirement.

Even if the husband worked with a firm that had a good retirement plan, it does not necessarily mean that the wife will receive a pension after his death. As we know, women generally live longer than men, but only 45 per cent of all members of employers' sponsored plans in 1976 belonged to plans that paid a widow a pension, and in most cases that pension was only 50 per cent of the husband's entitlement. It is for reasons of this kind, with women not being able to build up pension credit themselves, that in 1975 more than two thirds of all women over the age of 65 had cash incomes below $3,500.

I raised this question of pensions when I first spoke in this House in 1974. I pointed out at that time that many firms have an earlier compulsory retirement age for women than for men, which results in lower contributions from both employee and employer and therefore lower benefits. Although this practice was changing at that time, almost one quarter of the women enrolled in pension plans were required to retire at an earlier age than men under the same plans.

If the earlier retirement age is combined with low earnings and late entry—because many plans also delay vesting for women—then the pension is doubly or triply depressed. The whole question of pensions is one which involves provincial governments and private industry at least as much as the federal government. It is a question to which we are hearing different solutions at the present time. The Toronto *Star* has been advocating that the Canada Pension Plan be increased and that the people be encouraged to reduce their dependence on private plans. Other people are saying that the insurance industry should be much more flexible. It needs to build up earlier vesting, easier portability and perhaps require permanent vesting at an earlier stage in a person's work career. Whatever the solution, I think it is urgent that this be addressed. I hope that the federal-provincial ministers' conference planned for next year on the economic position of women will devote considerable—

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the parliamentary secretary but her allotted time has expired. She may continue with unanimous consent. Does the parliamentary secretary have unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mrs. Jean E. Pigott (Ottawa-Carleton): Mr. Speaker, I am surprised that the minister is not here today, that he did not have the courtesy to stay through the debate. The minister touts his great ability and his great concern for women but he cannot even sit through the debate. It is a disgrace.

Mr. Knowles (Winnipeg North Centre): He is having trouble with his gall.

Mrs. Pigott: He is having trouble with some of his members too. It would be very good for the minister if his colleagues on that side would tell him to watch the wonderful story of Agnes MacPhail which is on television tonight. It is a story which could teach him more in an hour than he has learned in his while life, as far as I am concerned.

An hon. Member: She was a socialist.

Mrs. Pigott: She was a woman who cared about half the people in this country, the half who are women, and that is more than you care about.

The hon. member for Trinity (Miss Nicholson) mentioned in her speech that she did not receive many comments back about the changes for part-time people under the UIC bill. There are 1,129,000 women who are interested in part-time work. They should be considered a resource, not a penalty, as the government considers them. I just do not think that the government realizes that the stag party is over in politics, government, business and in labour unions. For the first time since womankind came out of the trees, women are now going on the hunt. I would like to salute the United States for their Uncle Sam. He is a traitor to his sex because he has ordered the hunt to be opened to women and that they be given equal opportunity.

The title of the minister's booklet is, "Towards Equality". Where on earth has the minister been? This book was printed with my tax money. The thing which he must remember is that his and her signs are now out in this world. Why has this government been so slow to act? The women's revolution, the women's movement, has been in force for ten to 15 years in this country.

As I was sitting here today I began to wonder about what the matter is, and I now know what it is. The minister and the Prime Minister (Mr. Trudeau) are afraid of women. It is the only excuse which I can find. They are afraid of women as peers, as colleagues and as equals in running this country.

Perhaps the problem is that, with very exceptions, there have been no role models between men and women in government circles, but we intend to change that. I discovered today watching you people over there that I think your Prime Minister and your Minister of Justice (Mr. Lalonde) think of women as wives, mothers, sweethearts or girlfriends. They do not look at women as co-workers—

An hon. Member: Oh, come on!

Mrs. Pigott: —or you would have done a lot more.

An hon. Member: To the Chair.

Mrs. Pigott: Pardon, me, Mr. Speaker. Of course, I know the wife of Mr. Speaker and he understands women's revolution. The reason this government has been so slow is that it has been dragging its feet. They are a group of fearful men.

Mr. McIsaac: We're scared when you come into the House, Jean.

Mrs. Pigott: We on this side of the House see a monumental opportunity to harness a virtually untapped energy, to put into service in this nation limitless new brain power and a totally fresh perspective. One way or the other women will be in the hunt. They will move into the decision-making areas to manage this country. I hope that the poor Minister of Justice will lose his fear of women. He has nothing to lose but the chains of the past and the limits of his own growth as a human being.

I would like to comment on the motion because there is the tremendous challenge that if the government could set an example for the private sector—

The Acting Speaker (Mr. Turner): Order, please. It being six o'clock p.m., it is my duty to inform the House that pursuant to Standing Order 58(11) proceedings on the motion have expired.

This House stands adjourned until tomorrow at two o'clock p.m., pursuant to Standing Order 2(1).

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, March 8, 1979

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

INCOME TAX

DEDUCTION OF MORTGAGE INTEREST EXPENSE—GOVERNMENT POSITION—MOTION UNDER S.O. 43

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I rise, under the provisions of Standing Order 43, to move a matter of urgent and pressing necessity.

This afternoon, the government of the province of Saskatchewan intends to announce that it will permit the deduction of mortgage interest expense from personal income taxes, thus repudiating the national Leader of the New Democratic Party who says that such a program is a sop to the rich and does nothing to help the poor.

Mr. Broadbent: That is no good; you have your facts wrong.

Mr. Hnatyshyn: I therefore move, seconded by the hon. member for Meadow Lake (Mr. Cadieu):

That this House directs the government to follow the precedent, set by at least some of their NDP brothers, reverse their previous wrong-headed policy, and recommends that the federal government introduce a similar program of mortgage interest deductibility together with property taxes deductibility for the benefit of all Canadian taxpayers.

I want to thank the Leader of the New Democratic Party for also agreeing.

Mr. Speaker: The introduction of such a motion for debate would require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Hnatyshyn: How do you feel about being repudiated, Ed? It is a divided party.

CONSUMER AFFAIRS

REQUEST FOR FINANCIAL ASSISTANCE TO WOMEN'S ORGANIZATION TO FIGHT FOR FAIR PRICES—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, this being International Women's Day, I believe that we should recognize and try to assist a group of women in this country who are trying to do something about one of the serious problems that faces all our people.

I therefore move, seconded by the hon. member for Sault Ste. Marie (Mr. Symes):

That this House calls on the Minister of Consumer and Corporate Affairs to make available to WARP, Women Against Rising Prices, the necessary funding and the assistance of his department so that this movement, which is mobilizing Ontario consumers, can become a national organization and give leadership to consumers from coast to coast in the fight for fair prices.

Mr. Speaker: According to Standing Order 43, such a motion can be presented for discussion at this time only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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[*Translation*]

ENERGY

MEASURES TO ENSURE ADEQUATE SUPPLY OF OIL TO EAST COAST REFINERIES—MOTION UNDER S.O. 43

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move the following motion.

Considering the scope of the recommendations in the report of the National Energy Board published on February 28 past; considering the precarious and uncertain situation of eastern Canada following reduced fuel supplies from Iran; considering the decision of Exxon Corporation to divert oil supplies meant for Canada to the United States, I move, seconded by the hon. member for Shefford (Mr. Rondeau):

That the government seriously consider the possibility of extending the Sarnia-Montreal gas pipeline into eastern Canada so that the energy needs of that part of the country are met and that we are no longer dependent on multinationals and oil exportating countries.

Mr. Speaker: Order. The House has heard the motion of the hon. member. Under the provisions of Standing Order 43, such

motion to be presented for debate requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

[*English*]

HEALTH AND WELFARE

REQUEST APPLICATION DEADLINE BE EXTENDED FOR SUMMER EMPLOYMENT PROGRAM FOR STUDENTS—MOTION UNDER S.O. 43

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

On February 20, the Minister of National Health and Welfare sent out a news release announcing the Health Activities Summer Employment Program for Students, with an application deadline of February 28, 1979. It arrived at one of its destinations right here in Ottawa on March 2, 1979, three days past the deadline. This made it impossible for the sponsoring association to notify students nationally and students who would have benefited from this opportunity were not able to participate.

I move, seconded by the hon. member for Lanark-Renfrew-Carleton (Mr. Dick):

That this House instruct the Minister of National Health and Welfare to extend the deadline of the Health Activities Summer Employment Program for Students—HASEPS—to the end of March so that sufficient time is available for applications to be made.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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HOUSE OF COMMONS

COST OF EXTENDING TV COVERAGE OF PROCEEDINGS TO MONCTON AND OTHER AREAS—MOTION UNDER S.O. 43

Mr. Leonard C. Jones (Moncton): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

Whereas special arrangements have been made to carry the televised proceedings of the House of Commons, commencing Monday, March 12, 1979, to various parts of Canada, including an arrangement with the Moncton cable station; whereas the exact arrangements and agreements across Canada have not been revealed; and whereas these areas have gone without such programming for some time now, I move, seconded by the hon. member for Richmond (Mr. Beaudoin):

That this House commends this venture and requests that a full disclosure be made as to the arrangements, agreements and costs, particularly in light of the fact that the Moncton cable station bears no cost and the timing almost appears to be politically oriented.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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LABOUR DISPUTES

BARGAINING IN DISPUTE BETWEEN INCO AND USWA—MOTION UNDER S.O. 43

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity to seek the unanimous consent of the House for my motion.

In view of the fact that 11,600 workers are on strike against Inco Ltd., and in view of the fact that the recent revelation under the Election Expenses Act shows that for 1977 Inco Ltd. gave to the Liberal party of Canada, $20,500 and $20,000 to the Conservative party of Canada, I move, seconded by the hon. member for Sault Ste. Marie (Mr. Symes):

That this House instructs the Liberal government to meet with their friends in the boardroom of Inco Ltd. and press upon them the need to bargain in good faith with local 6500, USWA, whose members have been on strike for six months because of the arrogance and intransigence of this multinational giant.

Mr. Speaker: Such a motion can be presented for debate by the House at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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UNEMPLOYMENT INSURANCE

REQUEST FOR WITHDRAWAL OF 20-HOUR WORK WEEK REQUIREMENT FOR LONGSHOREMEN AND MARINE WORKERS—MOTION UNDER S.O. 43

Mr. Howard Crosby (Halifax-East Hants): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

The new eligibility requirement respecting a 20-hour work week imposed by the unemployment insurance regulations has undermined the marine work force and threatens the shipping industry in eastern Canada. Accordingly, I move, seconded by the hon. member for Cape Breton-The Sydneys (Mr. Muir):

That this House direct the Minister of Employment and Immigration to present to the Canada Employment and Immigration Commission an amendment removing the 20-hour requirement in the case of longshoremen and marine workers to protect the viability of the eastern shipping industry.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF ADMIRAL HARRY D. TRAIN

Mr. Speaker: Before we begin question period, may I ask all our colleagues to join with me in signalling the presence in our gallery of a very distinguished visitor in the person of Admiral Harry D. Train, Supreme Allied Commander of our forces in the Atlantic.

Some hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

CONSUMER AFFAIRS

SUFFICIENCY OF PRODUCTION QUOTAS—POSSIBILITY OF INCREASE

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. Yesterday, in an interview with Canadian Press—a news agency that is known for its integrity and accuracy—the minister is quoted as having said that the government is about to bring in measures to increase production quotas for federal and provincial marketing agencies and to bring in new incentives to fishermen and farmers to increase production.

● (1415)

My question to the minister is, has he satisfied himself that present quotas are not sufficient to meet consumer demand? Can he also tell the House if this matter has been agreed to by the various provincial governments?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, the stories were incorrect.

Some hon. Members: Oh, oh!

An hon. Member: You and Marc Lalonde.

Mr. Stevens: Were they four-fifths right?

Mr. Allmand: O-o-o-h! It is like a Greek tragedy, Mr. Speaker. I explained to the reporter what the supply policies were. I stated that production quotas had been increased by several marketing boards for the 1979 calendar year, and in fact the government had increased the beef quota by seven million pounds for this year, but it was too early yet to know what the effects of those increased production quotas would be.

I said that the government was looking at other alternatives, but they would be announced by the Minister of Agriculture or by the boards in due course; and that is all I said.

Mr. McGrath: Mr. Speaker, under the rules of this House I have to accept the minister's word, but Canadian Press is under no such restraint and I leave the minister to the Canadian Press.

I ask the minister this: Was he accurately quoted in a story on March 1 when he referred to the fact that the government would be bringing in measures to deal with supply shortages, and was he accurately quoted on February 22 when he also alluded to this in an interview outside the House? If he was not accurately quoted, perhaps he would tell the House exactly what he did say on March 1.

Mr. Allmand: Mr. Speaker, I did say that we were examining supply policies and I did say that marketing boards under the government had increased their supply or production quotas for this year. I said it was too early yet to know what the results would be. I also said that those boards have the flexibility to change their quotas from time to time, but if they did so, that would be announced as the year went on.

Mr. McGrath: Mr. Speaker, this morning in the Standing Committee on Agriculture, the Minister of Agriculture expressed the fact that he had not been consulted by his colleague, the Minister of Consumer and Corporate Affairs.

Did the minister consult with the Minister of Agriculture when he came to the conclusion that quotas were insufficient at the present time to meet consumer demand, notwithstanding the fact that in the case of chicken, for example—on which the minister was confronted with questions regarding profiteering and price gouging—he replied that this was as a result of increased consumer demand, whereas his colleague said there is a surplus of four million pounds of chicken on hand? It would seem to me that this minister is going around like a chicken with his head cut off: he does not know what he is doing.

Mr. Allmand: Mr. Speaker, the Minister of Agriculture was reacting to the press story which was incorrect. By the way, the headlines were even worse; they in no way reflected the story written by the reporter. The Minister of Agriculture had no chance to talk to me before he was asked to comment on those stories. I spoke to him afterwards. He told me he said in committee that several of the marketing boards did increase their quotas for 1979 and that we did increase our beef import quotas. So far as I know, we are together on that.

Oral Questions

GOVERNMENT POSITION ON INCREASING FOOD IMPORTS

Mr. John Wise (Elgin): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs who has become the leading spokesman on behalf of the government for the development of agriculture and food policy.

He has denied the CP story, but he cannot deny the fact that he indicated inside and outside the House that he is considering several options and several proposals. That minister should recognize that the major contributing factor to food prices is really the record of this government and its policies—high interest rates, high inflation—

An hon. Member: Order.

Mr. Speaker: Order, please. Does the hon. member intend to ask a question?

Mr. Wise: Mr. Speaker, my question is directed to the Minister of Agriculture.

Some hon. Members: Oh, oh!

Mr. Wise: Does the minister agree with the concept of increasing imports and increasing the value of imported foods? Does he agree that that concept is the proper answer to today's food prices?

● (1420)

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the hon. member is well informed, I think, in many instances—maybe not in all—on what the marketing policies are for our marketing boards that have control of poultry products. They have a pricing formula that they use for increased production of poultry as the provincial boards have set for meat. What they are going to do is not under a full-fledged agency at this time.

There is a sizeable increase. For the month of January, I believe it shows a 20 per cent increase in slaughter. It shows a big increase in the amount of poultry. It does not necessarily mean that because you are going to increase import quotas of any products, the consumers are going to get any benefit. Some history shows just the opposite of that.

Some hon. Members: Oh, oh!

Mr. Wise: Mr. Speaker, my question is directed to the same minister. I would ask him to put aside his usual barnyard verbiage and answer my question. Does he agree with the concept that if we increase import quotas, that is the answer to the food crisis? Just a "Yes" or "No" would be quite sufficient.

Mr. Whelan: Mr. Speaker, the hon. member knows my philosophy on import quotas. As he is as closely associated with the barnyard as I am, I am sure he is familiar with barnyard language. At least, he claims to be when he is on the hustings.

[Mr. Allmand.]

The production of poultry in Canada has, as he knows, the greatest efficiency in the history of our poultry production. We have the know-how and the means. He also knows that because of our agreements with our trading partners, when we go into a supply-management system we have to negotiate the quota for the imports of that product from our trading partners, those with whom we normally do business. We are doing this with the United States at the present time. Therefore, it does not necessarily mean it will have any effect on prices if you increase import quotas because, as I said, there is ample poultry in stock.

Some hon. Members: Oh, oh!

* * *

EMPLOYMENT

COUNSELLING PROGRAMS FOR WOMEN—REQUEST THAT FUNDING NOT BE REDUCED

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Employment and Immigration. A secret cabinet document dated December 21, 1978, a copy of which I have here, in a reference to the National Plan of Action on the Status of Women refers to the need of counselling programs for hard-to-place clients such as women. It states, on page 57, "Staff training programs and counselling techniques should be developed for such women".

Considering that Women's Career Counselling Service here in Ottawa performs precisely this function now, and was informed just yesterday of a 45 per cent cut in its budget, and given the commitment made in this cabinet document, is the government prepared to practice what it preaches and completely restore this budget?

Hon. Bud Cullen (Minister of Employment and Immigration): Mr. Speaker, if I have my figures right, that particular project was sponsored to the extent of close to $280,000 for the past four or five years. The program was looked at very carefully, both in discussion with people in the program and the people that they assisted. We looked at it very carefully and determined that the cost for placement that they were involved in was very, very expensive—something like $324 per placement, as opposed to much lower figures for other placements. On that basis, it was determined that some of the functions they are performing are necessary and are being done in an efficient and effective way, so that program will continue, but with reduced financing.

Mr. Broadbent: The minister knows, as well, that this program in this city as well as in London, Toronto, Saskatoon and a number of other cities has either been cut back or eliminated. They were outperforming the department of manpower precisely because they were set up to do that. He is now cutting back.

I now would like to go to the minister responsible for the status of women, the Minister of Justice. Yesterday, the minister tabled in this House a National Plan of Action on the

Status of Women which recommends study in 21 areas, research in 15, examination in 10, reviews in 6, but action now in no areas at all.

● (1425)

Considering that his colleague, the Minister of Labour, has not replaced the head of the women's bureau in his own department—the vacancy has existed for two years—and considering the budget of the women's bureau has been cut from $200,000 to $29,000 will the minister, who is advocating all these studies and research programs for the future, commit himself to some action by urging his colleague to reappoint the head of the women's bureau and reinstate its budget?

Hon. Marc Lalonde (Minister of Justice): The hon. member is as wrong in the second part of his question as he was in the first part making allegations against the Department of Employment and Immigration. He has got his figures all wrong, and all I can advise him to do is go back and read the National Plan of Action and he will find out.

As far as the general and argumentative introduction to the hon. member's question is concerned, he is wrong—and that is nothing new for him.

As to the specific question he asked, I want to advise him that a number of the functions which had been assigned to the Department of Labour have been assumed by the Minister of Employment and Immigration. For instance, the whole area of contract compliance and the development of Affirmative Action programs has been taken over by the Department of Employment and Immigration. It is, therefore, understandable and normal that some of the functions which have been transferred should appear in the budget of the Department of Employment and Immigration. So I suggest the hon. member should get his facts straight with regard to all the questions he has raised. I believe he will then think twice.

Mr. Broadbent: Mr. Speaker, I shall be rising at three o'clock on a question of privilege. The minister, without any validation, has said I was misinforming the House. I want him to document that accusation at three o'clock, or withdraw it.

Mr. Speaker: Order, please. Does the hon. member have a supplementary question?

Mr. Broadbent: The government admits in this cabinet document on the National Plan of Action on the Status of Women—on page 3—that it has been referring to women as secondary wage earners. Since 40 per cent of our labour force is female, and since this rate has changed by less than 1 per cent a year over the past decade—there has been no significant change, contrary to what the government likes to suggest—will the minister assure the House that this highly phoney and false description of women in the economy will not be used in government publications in the future?

Mr. Lalonde: We have not been using the expression "secondary wage earner" in the National Plan of Action or in any of the statements made by ministers for a long while except when quoting some economists in certain circumstances. The government's policy has been stated and restated constantly over the last few years: that women are in the work force because they want to be there and because they need to be.

We welcome the increased participation of women in the work force. We believe women should have complete freedom of choice and opportunity in the field of work, whether they want to work at home or outside the home. All our policies are oriented in that direction. As to the statistics given by the hon. member about the participation rate, I fail to see how he can pretend there has been no increase in the participation rate of women over the last while.

* * *

[*Translation*]

ENERGY

NATURAL GAS SURPLUSES—GOVERNMENT POSITION

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I should like to put a question to the Minister of Energy, Mines and Resources and Minister of State for Science and Technology.

The National Energy Board noted in its recent report that a possible surplus of 2,000 billion cubic feet of gas could be exported to the United States, adding in the same breath that there could be a gas shortage in Canada by 1992. Can the minister explain how he intends to approach and reconcile, during the talks on the issue of new gas export permits, the obvious contradiction in what the National Energy Board said, namely that Canada can export that surplus gas over the short term but that, over the long term, it will have to face a shortage of gas?

● (1430)

[*English*]

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, the National Energy Board made it quite clear that there has been a significant increase in our supplies, some 4.7 trillion cubic feet, and that the prospects for additional supplies are very good. There has been record activity and growth.

The board also indicated that it set aside substantial reserves for Canadians and particularly for eastern Canadians. In addition to that and in addition to a simple reserves test, the board introduced two additional tests to protect Canadians with respect to future gas supplies. Those two tests are based on deliverability of current reserves and of current reserves plus expected additions. Those two additional tests provide an additional measure of security for Canadians.

[*Translation*]

Mr. Beaudoin: Mr. Speaker, I feel there is an obvious contradiction here, for the minister surely knows that, if

Canada now seems to have surplus gas, it is because the National Energy Board used another formula to arrive at those figures. Canada, to my mind, has no more surpluses today than it had before the report was published. The data were manipulated, that is all. How then can the minister consider selling a surplus, which in fact does not exist if one bears in mind the new formula for arriving at surplus figures, and the eventual shortage of gas?

[*English*]

Mr. Gillespie: Mr. Speaker, if the hon. member reads my answer to his first question, he will see that there has been a substantial increase in reserves since the last report of the National Energy Board. I indicated that the increase in the reserves is 4.7 trillion cubic feet. That is a very substantial additional volume of gas. I also indicated that the surplus as calculated by the National Energy Board—surplus to Canadian needs and therefore exportable—is based on a formula which provides for 2 trillion cubic feet. Those 2 trillion cubic feet are subject to the two additional tests introduced by the National Energy Board which I mentioned.

[*Translation*]

REQUEST PIPELINE BE EXTENDED FROM SARNIA TO EASTERN CANADA VIA MONTREAL

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, considering the minister's answer, can he tell us whether his department is taking steps to extend the Sarnia-Montreal gas pipeline from Montreal to eastern Canada?

Mr. Guay: And to Lévis.

Mr. Beaudoin: And to Lévis, as the hon. member says.

[*English*]

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, I have indicated that the government welcomes the additional reserves and the exportable surplus. I have indicated that I felt that there should be a linkage between exports which might be authorized and the building and development of a pipeline which would serve Canadians east through Quebec and into the Atlantic regions of Canada. That exportable surplus could be linked in a way which would make an otherwise uneconomic line economic.

* * *

TOURISM

REASON FOR DEFICIT IN CURRENT ACCOUNT

Mr. John C. Crosbie (St. John's West): Mr. Speaker, my question is to the Minister of Industry, Trade and Commerce in connection with the huge deficit in our current account and the international balance of payments of $5.29 billion in goods and services which is mostly accounted for by the services trade deficit of over $8 billion. Of that amount, $1.72 billion was the net outflow of tourism in 1978.

I want to ask the minister to explain this. Why was that the result, when he stated in February of 1978 to the great Liberal policy-making convention that Canada would come, and I quote, "awfully close to balancing its tourism budget this year after two years' deficits". Was Statistics Canada's figure wrong? Was the minister wrong? What happened? Is $1.7 billion "awfully close" to balancing? It is the worst deficit we have ever had in tourism in our history.

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): Mr. Speaker, the hon. member would like at the same time to suggest that our deficit in tourism would go to $2 billion. Certainly, I was wrong in thinking that the great efforts this government made last year to convince Canadians to travel in Canada and to see Canada first would curtail a desire to travel outside Canada. I was wrong in believing that would happen.

The economy was so strong that the Canadian people felt a desire to spend money outside Canada and pay no heed to the reduced value of the Canadian dollar. That did not seem to deter Canadians at all. They travelled a great deal outside Canada and it was not the intention of the Canadian government to stop them. However, I felt I could encourage them to see Canada first, and I can say that a great many Canadians did travel extensively across Canada before they travelled outside Canada.

Mr. Crosbie: Mr. Speaker, what the minister is saying is that his jawboning was the jawboning of an ass.

Some hon. Members: Oh, oh!

Mr. Crosbie: My supplementary is this: The U.S. travel service predicts that fewer Americans will visit Canada this year than last year, and they predict that spending in the U.S. by Canadian business will be up 9 per cent, to $2.5 billion this year. Is this the reason the minister stated on February 23 that he thinks it is sinful for Canadians to go south to ski in the winter, and that they should see Canada first? Has he pointed this out to the Prime Minister, who went to Colorado at Christmas and went there the year before?

Some hon. Members: Oh, oh!

An hon. Member: How about you?

Mr. Crosbie: Is the Prime Minister now repenting his sin, and will the minister apologize for the Prime Minister?

Mr. Horner: Mr. Speaker, in answering the hon. member's question, one could rightly say that I am jawboning with an ass.

Some hon. Members: Hear, hear!

Mr. Horner: With regard to skiing and having to go south to ski in the winter, what is sinful about it is that we in Canada

have not developed enough ski resorts in Canada to accommodate all those people who want to ski.

Some hon. Members: Oh, oh!

Mr. Horner: Hon. members opposite can laugh, but I have not noticed them taking any side on the further development of ski resorts at Lake Louise. A long time ago I advocated more facilities at our national parks for Canadians to ski. That is a little bit risky politically, I suppose, so we have not heard from the hon. member who is supposed to be representing that area on that question in this House.

Some hon. Members: Hear, hear!

Mr. Clark: Mr. Speaker—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member for Peel-Dufferin-Simcoe.

* * *

THE CANADIAN ECONOMY

CREATION OF JOBS DUE TO INCREASE IN EXPORTS

Mr. Ross Milne (Peel-Dufferin-Simcoe): Mr. Speaker, my question is directed to the Minister of Finance. Statistics Canada recently announced that exports have increased by about 5.8 per cent on a seasonally adjusted basis and, most importantly, that there is a higher labour content in manufactured products. I wonder if the minister has had an opportunity to analyse how many new jobs this might represent and what percentage increase in plant capacity this will represent.

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, I have not had time to analyse the number of jobs this situation has created, but in the month of January there was a trade surplus of $100 million more than January of last year.

I would like to report to the House that utilization of industrial capacity in Canada has increased in the last 12 months from 83 per cent to 89.2 per cent, well above the average of the last 15 years and even higher than utilization in the United States.

Some hon. Members: Hear, hear!

* * *

NATIONAL PARKS

SKIING FACILITIES—GOVERNMENT POSITION

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, I have a question for the minister responsible for national parks. Was the Minister of Industry, Trade and Commerce expressing government policy when he said it was his position and the position of the government that skiing facilities in Canada's national parks should be substantially expanded? Is that the position of the government, or is it the position of only one-fifth of the government as represented by the Minister of Industry, Trade and Commerce?

Hon. James Hugh Faulkner (Minister of Indian Affairs and Northern Development): Mr Speaker, I am surprised at the question—

An hon. Member: I'll bet you are.

Mr. Faulkner: —because, as the hon. member should know, two weeks ago in Calgary I announced an expansion at Lake Louise, and that is precisely what my colleague was referring to.

Some hon. Members: Hear, hear!

An hon. Member: Where were you, Joe?

Mr. Clark: Mr. Speaker, I will wait until hon. members opposite calm down a little.

The Minister of Industry, Trade and Commerce indicated clearly that he has been making very strong representations regarding dramatic expansion, I presume beyond the present state. The Minister or Indian Affairs and Northern Development correctly referred to his announcement two weeks ago regarding Lake Louise. Is it the intention of the Government of Canada to expand significantly, beyond the present state, skiing facilities in national parks?

● (1440)

At the same time, the minister might also tell us whether it remains the position of the Government of Canada that the primary purpose of Canadian national parks is conservation, or whether the representations of the Minister of Industry, Trade and Commerce have detracted from that purpose.

Mr. Faulkner: Mr. Speaker, as I pointed out a moment ago, there have been expansions proposed in Lake Louise and there have been expansions agreed to in Sunshine.

My view is that there should be a limit to the expansions, and that expansions should take place outside the parks. I think that is totally consistent with what the Minister of Industry, Trade and Commerce has said. He is saying there should be expansion in parks, it is allowed, but there should be development of skiing facilities outside the parks as well; and Kananaskis is a development, Golden is a development, and near Revelstoke there is a development. I think we can achieve the conservation objective and still have restraint with respect to the parks.

Some hon. Members: Hear, hear!

Oral Questions

INDUSTRY

DEFICIT IN AUTOMOBILE TRADE WITH UNITED STATES—ACTION TO CORRECT

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. Statistics Canada report an $89 million defict in the auto trade with the United States for the month of January. Noting that automotive parts appear to be a large portion of this deficit, and noting as well that there is a good deal of controversy surrounding the automotive figures published monthly by Statistics Canada, can the minister advise us whether his officials have checked into the authenticity and accuracy of this deficit and, if they have, what is he doing to bring it in balance, as he said he is going to do?

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): Mr. Speaker, I think the first thing I should point out in answer to the hon. member's question is that Statistics Canada in their release suggest quite clearly that it is a preliminary estimate, and so one should judge it as a preliminary estimate. It is as large as it is because automotive exports for the month of January amounted to $986 million. In January of 1977, automotive exports were $764 million. So we exported approximately $200 million in automobiles. Naturally, in order to manufacture these automobiles we had to import more parts and that is why the parts deficit appears to have increased in relation to our total exports.

Mr. Kempling: That is fine, Mr. Speaker; we know that there are many figures relating to imported parts which come in as imported parts for production and are exported but are not shown as exports, and that is what I am getting at.

Let me ask the minister the following question: Several recommendations have been made for a comprehensive annual report on the automotive industry by the Standing Committee on Finance, Trade and Economic Affairs, in the Reisman report and by numerous other organizations. Can the minister tell us what progress has been made in this area and what progress is being made to correlate the figures in that report with those in the U.S. report, so they will have relevance?

Mr. Horner: This whole question has received a great deal of attention from the cabinet. We studied the Reisman report and early next week I intend to make a full statement on the government's reply to the Reisman report. I can assure the hon. member that the recommendation was in the Reisman report and I will be dealing with it extensively next week.

* * *

TRANSPORT

LICENSING OF RAILWAY EXPRESS OPERATIONS—AREA OF JURISDICTION

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is for the Minister of Transport. Has the minister received a request from one of the national railway companies to have its express service operations exempted from the provisions of the Ontario motor vehicles' transport act and brought, instead, under part three of the National Transportation Act, such request presumably being prompted by concern over the validity of express operations with respect to provincial licensing requirements?

[Mr. Faulkner.]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, that issue and that possibility has been raised with me and my officials have examined it. I do not know whether I could characterize the nature of the message to me as "resquested"—I want to look back at the original letter—but certainly the issue and the problem that might be created by the particular position of the express operations of that railway company has been brought to my attention.

Mr. Jarvis: The minister is aware of the serious implications of having express operations, on the one hand, possibly brought under federal jurisdiction whereas the great majority of trucking operations, on the other hand, are controlled by the provincial jurisdiction. Indeed, the attitude of provincial governments with respect to the use of part three of the federal act has heretofore, as I understand it, been directed toward the trucking industry. Can the minister indicate, at least, his attitude toward a situation where express operations of the national railway company might be exempted from provincial jurisdiction and brought under part three of the federal act?

Mr. Lang: I would like to make sure that I would not speculate on that happening. I would not put it beyond the range of possibility that such an exemption might be needed in one case or another within the whole range of the trucking industry. We found it necessary on one occasion in relation to buses, for instance, so it could happen in other cases. But certainly I would not speculate on the possibility or probability of it happening in any specific case in advance of having fully examined the implications.

I can assure the hon. member that from our consultations with the provinces they will know very well that we prefer to have the trucking regulations administered by provincial boards and under their rules and so have delegated the matter to them. Of course, we want to ensure uniformity and consistency and, therefore, the really free movement of goods across the country, so we pay close attention to the matter but, as the hon. member suggests, it would be by way of a very special exception if any action were taken.

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THE SEAL HUNT

INTERFERENCE WITH SEALERS—GOVERNMENT MEASURES TO PREVENT

Mr. Fonse Faour (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister of Fisheries and it concerns the seal hunt off the coast of Newfoundland and Labrador which is to begin later this week.

On Monday of this week, this House unanimously passed a resolution endorsing the seal hunt off the coast of Newfoundland. In view of the fact that the protest ship *Sea Shepherd* is at this very moment sailing toward the Front area carrying protesters with the expressed intention of disrupting and interfering with the seal hunt, in complete defiance of Canadian law, what steps is the minister prepared to take to prevent this ship from entering the hunt area?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, I would have to check. The latest information I have is that the *Sea Shepherd* is moving in the Gulf, but I have to say to the hon. member that the right of innocent passage must be presumed until such time as violations occur. There are clear regulations for non-interference with the legitimate activities as approved by the House.

We have sufficient personnel in Fisheries and in our police forces to deal with violators if and when there are incidents. Frankly, I hope that those who are involved in these protest movements will act as responsibly as we ourselves are trying to act.

Mr. Faour: Mr. Speaker, the minister seems to forget the old adage that an ounce of prevention is worth a pound of cure. As the minister is aware, these protest groups have as their avowed intention the complete ending of the hunt off Newfoundland, which would have a disastrous result for Newfoundland both economically and environmentally, yet the minister refuses at this stage to bring in any measures to prevent such a disruption.

My supplementary question is whether he will consider asking the Department of National Defence to provide a destroyer escort, or perhaps a coastguard escort, to ensure that these protesters do not disrupt the hunt this year.

Mr. LeBlanc (Westmorland-Kent): There are already coastguard vessels in the area. I have searched the Fisheries Act very carefully and found that there is no way the act would give me the power to stop a vessel from sailing on the Gulf of St. Lawrence or in other areas in the 200-mile zone. What the personnel on that vessel do, and how they act, falls under the regulations and I would certainly not hesitate to pursue them if and when they do violate the rules which have been clearly spelled out.

* * *

● (1450)

AIR TRANSPORT

USE OF LITHIUM-POWERED BATTERIES IN AIRCRAFT LOCATOR TRANSMITTERS

Mr. B. Keith Penner (Thunder Bay): Mr. Speaker, I would like to put a question to the Minister of Transport.

Some hon. Members: Hear, hear!

Mr. Penner: I would like to ask the minister whether he has any reasons for reconsidering the ban which has been recommended against those batteries which are used to power emergency locator transmitters—ELTs. These lithium sulphur-dioxide batteries are considered by many to be an important factor in finding "downed" aircraft and we in northern Ontario are very concerned about this problem. Would the minister tell us whether these batteries are going to be reinstated?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, we are making progress with alternative batteries, but it certainly is not our intention to allow lithium-powered batteries to be replaced in aircraft. Indeed, I should tell the hon. member—and I am sure the hon. member for St. John's West will want to apologize to me for all the things he has said about this issue—that the United States administration has just ordered the removal of the lithium batteries from private aircraft in the United States, reporting that they have now reports of 500 incidents of explosions or other events having happened with them and, therefore, as a safety measure they must immediately be taken out.

They hope that within the next six months they can follow us in finding alternatives. I would like, therefore, to point out to the hon. member, particularly the hon. member for St. John's West, that once again we were about a year and a half ahead and he was a light age behind.

Some hon. Members: Oh, oh!

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HOUSE OF COMMONS

CBC-TV ITEM ON MEMBER OF PARLIAMENT CROSSING THE FLOOR

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I want to direct a question to the Secretary of State, who reports to this chamber on matters connected with the CBC.

Yesterday there was a most interesting, revealing and historic occasion when an hon. member walked across the floor of the House but did not appear on CBC last evening. It was explained by Mike Duffy, a most reputable announcer at all times—

Some hon. Members: Hear, hear!

Mr. Diefenbaker: That was not an advertisement for Mike Duffy, but it is certainly appreciated nonetheless.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: He said, and hon. members had better wait for a moment to hear what he did say, "We're not able to show you everything that happened because the House of Commons . . . staff . . . was instructed not to show Stewart's dramatic walk or cheering opposition MPs".

Some hon. Members: Oh, oh!

Mr. Diefenbaker: You can laugh, but I ask the hon. gentleman this: Were the CBC afraid that the finer pre-election susceptibilities of Liberals would be exacerbated if this were shown? Who gave this instruction?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The House should know, of course, that the capacity of the CBC to carry film is only as limited as the film that is taken in the House. These cameras are under my direction, and instructions for the operations of the cameras were issued by me and remain the same instructions that were taken from the special committee which was struck to establish the policy in respect of these cameras, on which committee, of course, all parties were represented.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Mr. Speaker, I do not question Your Honour, because I cannot, but there should be no selectivity on the part of anyone to determine what the Canadian people should see.

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TRADE

ANNUAL DEFICIT IN FULLY MANUFACTURED PRODUCTS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. Would the minister advise the House what steps he intends to take to deal with a very serious situation which was outlined in the February edition of the government's publication "Forging the Links", which stated:

> The Canadian economy is faced with a serious crisis which is manifest in high unemployment, persistent trade imbalances, and a falling currency. These immediate problems reflect a deeper crisis in the structure of Canadian industry, and in particular, manufacturing, which precedes the recent recession in the western economies.

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): Mr. Speaker, that publication was brought to my attention. I did not read it in detail. I did note the paragraph the hon. member has read to the House. In my perusal of the book, I noted that it was dealing with 1975 and perhaps 1976 figures.

If one made a careful analysis of the economy as was set out in a paper prepared by, for example, the Royal Bank, if one wanted a neutral opinion, away from politics, and using the figures for 1975 as a base for our productivity being 100, that graph suggests that our productivity now, based on 1975 figures being equal to 100, has gone up to 120. One can take from that that we have made substantial improvements in our productivity in manufacturing since 1975, to 1978 and into 1979. If one reads that book and understands that it is based on 1975 and 1976 statistics, one will realize that it is hardly a gauge worthy of mentioning in comparison to 1978 and 1979 figures.

Mr. Hees: Mr. Speaker, if everything today is going along as well as the minister would like us to believe, would he explain to the House—

Some hon. Members: Hear, hear!

Mr. Hees: You had better wait for it, boys.

Some hon. Members: Oh, oh!

Mr. Hees: Would this minister explain to the House why it is that this country is suffering from an annual trade deficit of more than $12 billion in fully manufactured products, the area that produces jobs, and why this deficit is increasing steadily at a rate in excess of 10 per cent each year? In view of this, would the minister please get down to the facts and answer my question, and stop handing me so much of that commodity which is a by-product of his cattle ranch?

Some hon. Members: Oh, oh!

Mr. Horner: Mr. Speaker, the hon. member is pretty good at handling that by-product of a cattle ranch, and if he is ever looking for a job I am sure one of my sons would be able to hire him.

Some hon. Members: Hear, hear!

Mr. Horner: Mr. Speaker, I would like to say, with regard to the question of manufacturing in Canada, looking at total manufacturing, and the hon. member likes to refer to end products—

Some hon. Members: Oh, oh!

Mr. Horner: You have to be pretty good with a fork, I guess. I really think that in order to assess Canada's ability to meet competition in the world one has to include as manufactured products steel, cement, lumber and paper. It is pretty difficult for a Canadian outfit to print the New York *Times* here in Canada. That would be an end product. We can send them the paper, which is a manufactured product.

If one takes a look at total manufactured goods, he will see that our deficit last year was $2.1 billion in total manufactured goods and a substantial lessening of that deficit occurred last year. It will continue to lessen in the years ahead. When I look at the utilization capacity of manufacturing today in Canada, I see it has gone from about 81 per cent to 97 per cent. In fact, in the steel industry it is up as high as 94.7 per cent of utilization—nearly maximum capacity, really—in the steel industry.

Mr. Hees: A final supplementary question, Mr. Speaker.

Mr. Speaker: I recognize the hon. member for Dauphin.

Mr. Hees: I've got a dandy.

Some hon. Members: Oh, oh!

Mr. Hees: Mr. Speaker, please, please!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

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THE CANADIAN ECONOMY

WAGE AND PRICE CONTROLS—GOVERNMENT POSITION

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the right hon. Prime Minister. As the new chairman of the National Commission on Inflation will be Mr. Renouf, who will be bringing with him many members of the disbanded Anti-Inflation Board, is the Prime Minister preparing for the reimposition of wage and price controls, particularly in view of the fact that he suggested last night the economy was zig-zagging?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker.

REPORTS SUBMITTED BY NATIONAL COMMISSION ON INFLATION

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I would direct this question to the Minister of Finance. Will the new NCI be making its reports directly to the government, or to the public, as the now defunct CSIP did so the government could be aware of what its reports contained before communication to the public?

• (1500)

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, according to the terms of reference of the commission, it is their decision and they may make the report public if they so desire.

* * *

LOTO CANADA

POLICY RESPECTING EMPLOYEES LAID OFF—SIGNING OF NON-DISCLOSURE AGREEMENT

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I direct my question to the Minister of State (Fitness and Amateur Sport). I am sure that the minister regretted not being able to table the report yesterday and having to renege on the promise which she made some time ago.

Would she now explain to the House whether or not Loto Canada has instituted a new policy which is a departure from the policy of the government? Why did Loto Canada require some 50 people who lost their jobs to sign a note of secrecy, and a non-disclosure agreement before they could pick up one cent of their termination pay?

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, so far as I have learned from the people in charge of personnel policy at Loto Canada, this approach was undertaken because of the technological adjunct of the equipment that was to be used by them in their jobs.

* * *

PRIVILEGE

MR. BROADBENT—VERACITY OF STATISTICS REFERRED TO DURING QUESTION PERIOD

Mr. Speaker: The hon. member for Oshawa-Whitby (Mr. Broadbent) gave me an indication during the question period that he would rise at three o'clock, and I see that he is rising now. The hon. member indicated that he would be raising a question of privilege because the Minister of Justice (Mr. Lalonde) had said that he had misled the House. According to my recollection—and I have no notes to which I can refer—the minister, in answering the hon. member for Oshawa-Whitby, said that the hon. member for Oshawa-Whitby was wrong and that he should get his facts straight, or something to that effect.

I would indicate that a member is not entitled to enter into a dispute of this kind in this chamber. The minister did not say that the hon. member was misleading the House, nor that the hon. member had uttered a falsehood or anything of that nature which could lead us into some difficulty.

It seems to me that what has been said would provoke a debate between the two ministers. If the hon. member for Oshawa-Whitby intends to develop a question of privilege, I would hope that it will be something more than simply challenging the minister about whether or not the hon. member was in error. Perhaps the hon. member will want to restudy his facts and check the record before carrying the matter further. I will now hear the hon. member for Oshawa-Whitby.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I do not need to check the record, but I will certainly respect your ruling. I would, very briefly, like to make my case.

I am sure that all members on this side have had encounters with the minister in which he has responded to questions in a way that the hon. member asking the question has no opportunity to reply. The minister leaves a clear impression that one is lying and that one is misleading the House by saying that the information which the hon. member has given in a question is false or wrong. Is the minister saying unequivocally that I am misleading the House, or would he, in support of his accusation, document very briefly his own case?

Politics ought to be about the application of certain principles. There should not be disagreement about the honesty of members in certain situations. If there is one member who is implying that the integrity of another member is not to be accepted, I think that that member should prove his case, and if he is wrong then he should be big enough to withdraw. If it is pointed out that I am incorrect, I will unequivocally admit that the minister is right, if he makes his case.

I was referring to three sets of figures. I used one set of figures in a question to the Minister of Employment and

Immigration (Mr. Cullen) in which I said that the budget for Women's Career Counselling Service in Ottawa had to be reduced by 45 per cent. That is a straightforward claim, and it is my understanding that that is the case. If that is not so, however, I would like the minister to say that that is not so.

The other figures to which I referred were taken from the minister's own document which he tabled in the House yesterday. It is the document which pertains to the National Plan of Action on the Status of Women. I said that there were 21 areas which were referred to for study, 15 for research, ten for examination and six for review. There were no figures for action. I would like to know if they are false figures.

Finally, the third set of figures which I used pertain to the women's bureau in the Department of Labour. I said that the budget had been reduced from $200,000 two years ago to $29,000. If the minister wants to quibble I can be more precise and say that the figure is $29,250. That is the other figure to which I referred.

I would like the minister to point out which of those figures is inaccurate, because I conscientiously used those figures. They were doublechecked and they were used in good faith, and I think they stand up. I would like to hear from the minister.

Hon. Marc Lalonde (Minister of Justice): Mr. Speaker, I will try to be as brief as the hon. member. I stated that he was wrong on several counts. I can think of one in particular, which he did not repeat in his question of privilege, when he said that placement in the voluntary sector was being conducted at a cheaper cost than in the public sector by the Employment and Immigration Commission. For the record, I would like to point out to the hon. member that the specific case which he has brought before the House has an average placement cost of $324, that the average cost for placement per Outreach program is $112, and that unemployment and immigration placement costs $50. So the statement of the hon. member is completely wrong, completely erroneous. Whether or not he misled the House is a matter I will leave to him to decide. I say that he was wrong, and the facts that I have indicate that.

The hon. member then said that in the National Plan of Action there is no action now. I would like to point out to him for the record that the three changes which the Minister of Employment and Immigration (Mr. Cullen) announced would take place are already in motion under this plan. With regard to unemployment insurance, supplementary unemployment benefit plans are extended to include plans covering unemployment costs as a result of maternity, paid maternity leave during the two-week waiting period would not affect UI benefits, payment of maternity benefits will be made outside Canada. We are working out the details of implementing this program.

In addition, Mr. Speaker, there is now before the House on the order paper a notice to introduce a bill amending the Criminal Code with regard to sexual offences. I have already indicated to the House the substance and the nature of those changes which are being proposed. We are ready to move in these areas.

I could cite a number of other examples. We have announced that there will be a greater trades training program for women in non-traditional occupations right away. There will be greater accessibility to language training for immigrant women right away. There will be a greater amount of money allocated for research and information with regard to health and environmental issues particularly dealing with women. There will be priorities in these sectors. There will be a redirection of grants to labour organizations that will take place right away so as to encourage the support of women in the labour movement.

In terms of action which is presently taking place, I could go on. We are not talking about studies, reviews or anything of that nature, although, contrary to what the hon. member said, I do believe that a lot of issues need to be studied and examined. We do not necessarily have to decide policy by the seat of our pants, as the honourable member often does.

Mr. Speaker: Order, please. I think that we are back where we started. I do not believe that the hon. minister accused the hon. member of misleading the House or that he used unparliamentary terminology in his answers.

The minister has now defended his position, as the hon. member for Oshawa-Whitby had defended his position, and I am sure that both members will recognize that they are locked in disagreement, which is quite legitimate in the circumstances. However, it does not extend into procedural grounds.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Grenville-Carleton): Mr. Speaker, I wonder if I might ask the government House leader the government business which he contemplates to be called today, tomorrow and perhaps into next week. While he is doing so, would he indicate whether or not next Wednesday will be designated as an allotted day in accordance with our discussion?

Mr. MacEachen: Mr. Speaker, the order of business for today, as we have already discussed, is, firstly, the bill dealing with the independence of parliament, followed by the Northwest Territories bill, followed by the government organization bill and the shipping conference exemptions and dangerous goods and non-profit corporations. That would be the order in which we would call items today if we make very rapid progress.

• (1510)

Tomorrow it is my intention to call the housing bill subject to the conclusions and understandings that are already being worked on among the parties. If the energy supply bill comes out of committee before the end of the week, it would be my intention to call that bill on Monday; and probably after that,

if the referendum bill comes out I will call that, followed by the excise and the income tax bills.

Of course, I readily agree to designating next Wednesday as an allotted day.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I am very pleased to hear about the income tax bill and the excise tax bill because there has been some concern expressed in the communities generally about the fact that these bills have not been brought forward and about what the effect of not bringing them forward might be.

I wonder if the government House leader could enlighten me with respect to the commodity tax review. I have asked him whether he would refer it to the Standing Committee on Finance, Trade and Economic Affairs. We have indicated, and I will indicate again, that we are prepared to have that reference go without debate. It becomes particularly important in view of the fact that the government's answers to the paper that he and I discussed some time ago seemed to imply that it had already been referred to the committee. We are anxious to have it referred and I presume the committee is also anxious. If that could be done I would be very grateful.

Mr. Knowles (Winnipeg North Centre): On the point of order, Mr. Speaker, I am sure it will seem as though I am playing a record I have played many times, but that does not bother me; I should like to get action. Now that the government House leader is placing before us not just three or four items, as though time was ending, but is placing before us quite a few things, as though we have a few months to go yet, why is it not possible for him and the Minister of Veterans Affairs (Mr. MacDonald) to get together and put at least one piece of legislation regarding veterans affairs on the order paper?

While I am on my feet, may I ask the government House leader a question with respect to one other issue. There have been a number of discussions about legislation respecting economic boycotts. I believe there was some discussion at one time that we would deal with the matter quickly. In this party we indicated our readiness to do so. Is there any prospect of that legislation being placed before us at an early date? Could I have an answer to those two questions.

Mr. Nielsen: Mr. Speaker, on February 6 this House unanimously passed concurrence in the second report of the Standing Committee on Justice and Legal Affairs. This contained a recommendation that the House expand the terms of reference of that committee in order to reconstitute the subcommittee on penitentiaries. For three weeks I have been asking the government House leader whether he has consulted with his colleague the Solicitor General (Mr. Blais) to bring that resolution before the House in order to expand those terms of reference to reconstitute the subcommittee on penitentiaries and enable it to get to work, and perhaps defuse the increasingly tense situation in the penitentiaries system in the country.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, on the same point of order raised by the Leader of the Opposition concerning the business of the House, I would like to know whether the government House leader is in a position to tell the House whether the committee to which Bill C-12 was referred is proceeding normally with the study of that bill and whether the House will soon receive its report which deals with retirement funds, the armed forces, the Royal Canadian Mounted Police and the public service. If the bill comes back from committee during the week, does the government intend to call it before the House at the report stage, and then for third reading, of course?

[*English*]

Mr. MacEachen: Mr. Speaker, the hon. member for Grenville-Carleton (Mr. Baker) will have noticed that I have placed a motion on the order paper providing for the commodity tax to be reviewed by the standing committee. It is my intention to call that matter as soon as there is some indication that the committee will be ready to deal with it. I should like to reserve that decision a little bit longer. I understand that the standing committee is still dealing with the Bank Act and that it has the estimates before it, so this might not be the most opportune or timely moment to get an additional reference. It is my intention, as is indicated on the order paper, to have that reference go to the committee.

I take note of the representations of the hon. member for Winnipeg North Centre (Mr. Knowles) on the question of veterans. Certainly it will be the intention of the government to continue to assist the veterans in the way it has asked parliament to do in the past.

The hon. member asked about the international economic boycott bill. I did say that I would be prepared to bring that bill in if we could secure agreement to deal with it in all its stages in one day. I am glad to receive the reaction of the hon. member and will await reactions from other parties in the House.

The hon. member has asked about Bill C-12. As I understand it, the standing committee is still hearing witnesses on that particular bill. When the bill comes before committee we will try to deal with it as quickly as possible because it is quite an important bill that we would like to get passed in all its stages.

The hon. member for Yukon (Mr. Nielsen) spoke about the motions that came out of the Standing Committee on Justice and Legal Affairs which really asked the House, or the government, to consider the advisability of amplifying and enlarging its said reference. I am in somewhat of a difficulty as to how to discharge the concurrence of the House asking the House to consider the advisability of amplifying and enlarging the said reference.

Quite apart from that particular difficulty, it is my intention to try to get an enlarged reference to that committee. I have not moved on it because each time the hon. member has raised the question the Solicitor General has not been in the House. I

should like to have him here to register either his assent or disapproval in regard to making that reference.

* * *

PRIVILEGE

MR. STEVENS—COMMODITY TAX REVIEW GROUP REPORT—ALLEGED DELAY OF REFERENCE TO STANDING COMMITTEE

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I rise on what I think is perhaps one of the most basic questions of privilege that could ever be raised in this House. It is based on the fact that this institution is being used to create a false impression through the government's continued refusal or hesitation to make a reference to the appropriate committee of this House of the commodity tax review matter.

The reason I rise now is that, as I understand the government House leader's comments, he is now saying that while it is his intention to make a reference to the Standing Committee on Finance, Trade and Economic Affairs with respect to this matter, he intends to delay it until the committee indicates that it is, in effect, ready for that reference.

The reason I rise on this question of privilege is that I feel there was a very important representation made in February to this House by the President of the Board of Economic Development Ministers (Mr. Andras) when he gave 46 responses to the recommendations put forth by the so-called second tier committee dealing with task force reviews of various sectors of our industry.

Recommendation No. 6 of the second tier report dealt specifically with the federal sales tax matter. I should like to read verbatim the response of the government, which was as follows:

● (1520)

> The Standing Committee of the House of Commons on Finance, Trade and Economic Affairs has already received a large number of submissions on the report of the Commodity Tax Review Group. It is expected that the committee, after it has finished its review, will make recommendations on the structure of Canada's commodity tax system.

The important fact is that that committee has no reference. The commodity tax review group study is not before us. For months as members of that committee and in this House we have asked that the reference be made. I think it is important that the members of this House recognize that the government has represented to the outside world that a committee of this House is actively reviewing that study and will be, to use their words, making "recommendations on the structure of Canada's commodity tax system." It is doubly important when we bear in mind that we have just experienced the largest current account deficit in our history of $5.2 billion—

Mr. MacEachen: Mr. Speaker, I would like to rise on a point of order.

Mr. Speaker: Order, please. I was never sure that the hon. member for York-Simcoe (Mr. Stevens) had a procedural matter before us. He had an answer today given through his House leader from the government House leader as to his intentions in this respect. He may not like the answer but I would have great difficulty in translating that into a question of privilege. In any case, the hon. member has now departed from the question of privilege aspect and is beginning to debate the merits of the need for this reference, which would be quite improper.

He has made his point. I do not know whether the Deputy Prime Minister and President of Privy Council (Mr. MacEachen) wants to answer the suggestion that has been made up to this point, but it seems to me that some answer was made as to the intentions of considering that matter and making the reference. I did not understand that it would necessarily come after the committee had completed its work. There was some reference to the fact that the committee is now busy with two other matters. In any event, while that may not be the answer which the hon. member for York-Simcoe wants, it is very difficult for me to translate that into a question of privilege.

Mr. Stevens: Mr. Speaker, with all due respect, the reason that I referred to the import question is that this aspect has been raised in some 60 odd submissions when the commodity tax review group was inviting submissions. It has been raised as one of the fundamental aspects of our commodity tax that imports are being favoured at the cost of Canadian jobs. The point I am trying to make in my basic question of privilege—

Mr. MacEachen: Mr. Speaker, I rise on a point of order.

Mr. Stevens: Mr. Speaker, if I may continue?

Mr. Speaker: If the hon. member for York-Simcoe is to continue, he will have to establish some procedural ground. He is continuing to argue that there is some real importance why the committee ought to consider this matter. That may very well be, but it has nothing to do with procedure and nothing to do with privilege. I have to be persuaded that the hon. member has some procedural grounds for the point he is trying to make. Up to this point I have not heard any.

Mr. Stevens: Mr. Speaker, my procedural ground is the simple fact that the government, in February, represented in their action for the industrial growth continuing dialogue brochure as follows:

> It is expected that the committee, after it has finished its review, will make recommendations on the structure of Canada's commodity tax system.

The committee referred to is the Standing Committee on Finance, Trade and Economic Affairs.

My question of privilege is simply based on the fact that there is no reference. There is no review going on in a committee of this House. It is totally wrong that the government should be permitted to create that impression, as they have done in this document. It is not enough for the House leader to stand up and say that they are still thinking about making the reference. The fact that he says that confirms it. He knows there is no reference, and yet they have held out to the world that the committee is actively reviewing this matter.

I do not feel that we in this House should tolerate that type of misrepresentation.

Hon. Allan J. MacEachen (Deputy Prime Minister and President of Privy Council): Mr. Speaker, the hon. member has made three speeches but has not established any basis for a question of privilege. There is no basis in this House for a member to get up on a question of privilege and complain that he has not got a reference to a committee. If that is permitted, any hon. member can get up and complain that his particular pet reference has not gone to committee. The plain fact of the matter is that the committee itself has not asked for a reference from the House of Commons.

Mr. Stevens: We cannot.

Mr. MacEachen: The standing committee is empowered to report to the House, if it wishes, and ask for a reference.

Some hon. Members: Oh!

Mr. MacEachen: The standing committee has not asked for a reference. I understand the steering committee has not agreed to ask for a reference.

Mr. Stevens: Because your members say no.

Mr. MacEachen: The hon. member says that the majority say no. He might understand that under the British North America Act the House of Commons and its committees operate on a majority. Perhaps it is an unpalatable fact for hon. members opposite to have to live under that provision of the British North America Act.

We had a debate with the hon. member for Grenville-Carleton (Mr. Baker) as to the meaning of the report. The hon. member is either very thick in the head or he is perverse when he attempts to argue that those particular references say that the standing committee has a reference. All the words say is that the committee has received submissions—

An hon. Member: A con job.

Mr. MacEachen: —and when it finishes its review—

An hon. Member: It doesn't have any review.

Mr. MacEachen: The hon. member ought to enlarge his mind a bit and understand that when the committee gets a reference it will commence a review, and upon completion of that review it will make recommendations. That is all the report says. The hon. member seems incapable of enlarging his mind to understand ordinary, plain words, and is attempting through bogus questions of privilege to delay the work of the House and to create false indignation about a case which is really quite plain.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. As I indicated at the outset, the matter remains a disagreement. I hope the hon. member is not suggesting that if at any time in March it appears a February commitment has not been fulfilled, it will give rise to a question of privilege because I think we would be swamped with questions of that nature. We ought to refrain and stay on the rather strong procedural grounds on which a question of privilege now rests.

THE ROYAL ASSENT

[*Translation*]

Mr. Speaker: I have the honour to inform the House that I have received the following communication:

Government House
Ottawa

March 8, 1979

Sir:

I have the honour to inform you that the Honourable Louis-Philippe Pigeon, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate chamber today, the 8th day of March, at 5.45 p.m. for the purpose of giving royal assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
Edmond Joly de Lotbinière
Administrative Secretary
to the Governor General

ROUTINE PROCEEDINGS

[*English*]

FEDERAL-PROVINCIAL RELATIONS

TABLING OF CORRESPONDENCE BETWEEN PRIME MINISTER AND PREMIER OF P.E.I. ON PUBLICITY ARRANGEMENTS

Hon. Allan J. MacEachen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I should like to table under the provisions of Standing Order 41(2) copies in both official languages of correspondence between the Prime Minister (Mr. Trudeau) and the Premier of Prince Edward Island concerning publicity arrangements between the Government of Canada and the province of Prince Edward Island.

Order Paper Questions

SOCIAL INSURANCE NUMBER ACT

MEASURE TO REGULATE USE OF SOCIAL INSURANCE NUMBERS

Mr. Ray Hnatyshyn (Saskatoon-Biggar) moved for leave to introduce Bill C-464, respecting the use of social insurance numbers.

Some hon. Members: Explain.

Mr. Hnatyshyn: Mr. Speaker, two days ago the Prime Minister (Mr. Trudeau) challenged me to set forth my views on what restrictions should be put on the use of social insurance numbers. Naturally I accept that challenge with great pleasure.

The purpose of this bill is to ensure that the use of social insurance numbers will not be expanded out of the original area for which they were brought in without first having prior consultation and full discussion in parliament on the subject, so that Canadians can have full participation and parliament can deal with this most important abuse in terms of individual privacy and human rights.

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

* * *

● (1530)

FINANCE TRADE AND ECONOMIC AFFAIRS

REFERENCE OF REPORT OF COMMODITY TAX REVIEW GROUP TO STANDING COMMITTEE

On the order: Government Notices of Motions.

March 6, 1979—The Deputy Prime Minister and President of Privy Council:

That the Report of the Commodity Tax Review Group and any evidence adduced thereon in the Third Session of the Thirtieth Parliament be referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Speaker: Pursuant to section 2 of Standing Order 21, this government notice of motion stands transferred to and ordered for consideration under Government Orders at the next sitting of the House.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): Mr. Speaker, the following questions will be answered today: 405, 790, 1,033 and 1,198.

[Mr. MacEachen.]

[*Text*]

CMHC—ASSISTED HOME OWNERSHIP PROGRAM

Question No. 405—**Mr. Roy (Laval):**

During the past ten years, did CMHC participate in the Assisted Home Ownership Programme and, if so, in how many cases and for what amount and, in each case, what was the (a) number (b) amount (c) interest rate of the subsidies granted?

Hon. André Ouellet (Minister of Public Works and Minister of State for Urban Affairs): I am advised as follows by Central Mortgage and Housing Corporation.

(a) and (b) See list below.

(c) 1970—Initial assistance for home ownership began under section 58 of the National Housing Act, progressively extending the term for home ownership loans from 25 to 40 years, and progressively reducing the interest rate from 9½ per cent to 7⅞ per cent, to bring home ownership within the financial capabilities of families in the $4,000 to $7,000 income ranges.

1973—With the introduction of section 34.15 to the NHA assistance was provided in accordance with a graduated scale of adjusted family incomes, beginning with interest rate adjustments down to 8 per cent, followed by a maximum grant of $300 per annum. This grant was increased to $600 in June 1974, and to $1,200 in August 1975.

1976—The grant was replaced by an interest reduction loan, which was interest free for five years, the principal amount being progressively reduced by one-fifth each year, with repayment to begin after five years. Direct subsidies continued to be available to families with children, up to $750 during the first year, to help reduce monthly payments to 25 per cent of income.

1978—A payment reduction loan secured by an interest-bearing second mortgage, was provided, the first mortgage being obtained from an approved lender and the second mortgage from CMHC.

NHA Loans Approved for Assisted Home-Ownership[1]
City of Laval, P.Q., 1968-1977[2]

Year	Approved Lenders			CMHC					
	Section 6			Section 58			Section 34.15		
	Loans	Units	$000	Loans	Units	$000	Loans	Units	$000
1968	—	—	—	—	—	—	—	—	—
1969	—	—	—	—	—	—	—	—	—
1970	—	—	—	8,807	9,775	129,863	—	—	—
1971	—	—	—	7,382	7,538	99,545	—	—	—
1972	—	—	—	4,828	4,893	69,743	—	—	—
1973	—	—	—	−58[3]	35	179	6,854	6,854	133,043
1974	—	—	—	−153	−153	−807[3]	17,980	17,985	428,872
1975	12,321	12,322	417,090	−1	−1	−22[3]	16,276	16,279	458,815
1976	38,109	38,142	1,321,873	—	—	—	2,464	2,464	77,807
1977	31,059	31,081	1,136,536	—	—	—	1,010	1,010	32,761

(1) New and existing housing.
(2) Data for 1968-75 are net; data for 1976-77 are gross.
(3) Cancellation of loans initially approved in an earlier year.

PUBLIC WORKS—OUTSIDE CONSULTANTS

Question No. 790—**Mr. Howie:**

For the fiscal year ended March 31, 1978, did the Department of Public Works hire outside consultants and, if so, how many and what was the total amount paid for their services?

Hon. André Ouellet (Minister of Public Works and Minister of State for Urban Affairs): Public Works Canada hired 735 outside consultants during the fiscal year 1977-78, expenditures totalling $34,895,000.

SUNNYBROOK HOSPITAL—TORONTO

Question No. 1,033—**Mr. McKenzie:**

1. How many beds were guaranteed to veterans under the agreement covering the transfer of Sunnybrook Hospital in Toronto to the provincial government?

2. How many beds were occupied at Sunnybrook by veterans on (a) January 1, 1977 (b) July 1, 1977 (c) January 1, 1978 (d) July 1, 1978 (e) October 1, 1978 and, how many were for (i) extended (ii) intermediate (iii) acute care?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. The Sunnybrook Hospital Transfer Agreement provided 1,200 beds for priority use by veterans, including 630 beds for acute care, and 570 beds for extended and intermediate care.

2. Beds occupied at Sunnybrook Medical Centre on the dates indicated are as follows:

		Acute	Extended	Intermediate
(a)	Jan. 1, 1977	10	374	148
(b)	July 1, 1977	6	379	153
(c)	Jan. 1, 1978	10	374	144
(d)	July 1, 1978	5	383	144
(e)	Oct. 1, 1978	9	373	145

FEDERAL-PROVINCIAL RELATIONS—OFFICE IN WINNIPEG

Question No. 1,198—**Mr. Epp:**

1. Did the Minister of State for Federal-Provincial Relations open an office in Winnipeg on behalf of the government and, if so (a) in what location (b) what is the telephone number (c) for what purpose?

2. What is the expected expenditure for 1979-80?

3. What are the authorized man-years for the office?

4. How often does the Minister attend the Winnipeg office?

Hon. John M. Reid (Minister of State for Federal-Provincial Relations): 1. No.

2. Not applicable.

3. Not applicable.

4. Not applicable.

[*English*]

Mr. Pinard: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

INDEPENDENCE OF PARLIAMENT ACT

MEASURE RESPECTING CONFLICTS OF INTEREST

Hon. Allan J. MacEachen (Deputy Prime Minister and President of the Privy Council) moved that Bill C-6, respecting the independence of Parliament and conflicts of interest of Senators and Members of the House of Commons and to amend certain other acts in relation thereto or in consequence thereof be read the second time and referred to the Standing Committee on Privileges and Elections.

He said: Mr. Speaker, this bill represents extensive consultation with parliamentarians extending back more than five years. In July, 1973 I tabled a green paper entitled "Members of Parliament and Conflict of Interest". The proposals in that document received study by a committee of the House which reported in July of 1975, and by a committee of the Senate which reported in June of 1976.

The recommendations in those committee reports were given close consideration within the government, and in June of last year I introduced a bill entitled the Independence of Parliament Act and tabled a document setting out related proposals for changes to the rules of the Senate and the Standing Orders of the House. A bill incorporating some minor amendments has been reintroduced as Bill C-6, and the proposed Standing Orders have been again tabled without change. All members have now had the opportunity to review this bill and the proposed Standing Orders. I expect that hon. members would wish to give the bill second reading so that it would receive detailed consideration in the standing committee.

The principles underlying the proposed policy are straightforward, and the committees of both the House and the other place were in broad agreement with them. They are indeed the same principles that underscore statutes relating to standards of conduct of parliamentarians that date back to before confederation. As the title of the bill indicates, the main objective is to ensure that the independence of parliamentarians in the performance of their public duties is not affected by their private financial or professional interests. Members and senators are trustees of public confidence who must perform, and appear to perform, their duties in a manner reflecting the highest degree of concern for the public interest.

Both the public and parliamentarians, therefore, have an interest in a set of well defined standards. For the public, the conflict of interest rules will provide a clear assurance that the highest standards do prevail. For parliamentarians, the rules will make it easier to ensure that their activities conform to the ethical principles that the public has a right to demand.

Obviously setting clear standards is a complicated task. The rules must deal carefully and precisely with complex situations. There must be a fair balance between the requirements of sound conflict of interest provisions and the right of parliamentarians to manage their private affairs in ways that involve no threat to the public interest. The rules must be

strong enough to merit public confidence without being so rigid and restrictive as to be unfair or to deter capable individuals from seeking public office.

It is also important to develop rules that do not unduly disadvantage any particular group. Members have very diverse professional backgrounds and financial interests; what would be an innocuous rule for one member could have very serious implications for another.

The proposed policy meets these challenges by combining the two basic approaches to dealing with potential conflicts of interest—disclosure and avoidance—and by providing the mechanisms through which parliamentarians can seek authoritative advice on the application of the policy. Much has been said about the respective merits of disclosure and avoidance. Each mechanism is apt in different circumstances and in meeting different needs.

Public disclosure of financial interests is a method of allowing members to continue managing their financial interests while at the same time making abuse of office less likely by allowing the public to judge their conduct in full knowledge of the facts. To put it another way, by allowing the public to know the facts the member is assured that what he does is subject to public scrutiny. Avoidance provisions are designed to prohibit parliamentarians from holding offices and managing financial assets which involve a conflict of interest or appear to create such a clear conflict.

Throughout the consultations and preparation of the policy, there has always been agreement that we should include both disclosure provisions and avoidance provisions. The strength of the policy lies in the way the two elements have been combined.

The bill requires parliamentarians to make very broad public disclosure of their assets, interests and activities. They will also have to make certain disclosures concerning interests of their spouses. Disclosure will be made annually through a registrar who will be an official of the House of Commons. It will include such major items as certain government contracts and grants; outside employment; gifts received by the parliamentarian or his or her spouse of a value greater than $100; honoraria; sponsored travel of the parliamentarian or his or her spouse outside Canada; real property of the parliamentarian or his or her spouse; shares and bonds of the parliamentarian or his or her spouse; unsecured debts over $5,000; trusts; and other sources of income worth more than $1,000. These are very significant disclosure requirements for members and also for the spouses.

The partial applicability to spouses reflects the need for another balance between conflicting objectives. On the one hand, there is the important principle that parliamentarians should not circumvent the rules through the activity of spouses. On the other hand, it is important not to restrict the ability of spouses to pursue independent careers. The bill resolves this quandary by requiring certain disclosures by spouses while exempting them from avoidance prohibitions. It is made clear, however, that parliamentarians may not escape the avoidance provisions by asking their spouses to undertake prohibited activities on their behalf.

● (1540)

Another important feature of the disclosure provisions is that members and senators will be required to disclose any personal pecuniary interest they have in a matter when they are communicating with government bodies, public servants or other parliamentarians. This is to ensure that potential for a conflict of interest will be easily recognized by persons who may be in a position to make decisions affecting the interests of a parliamentarian.

The disclosure provisions simply require that a parliamentarian make public certain interests and activities. The avoidance provisions are more restrictive because they prohibit activities that either involve direct conflicts of interest or appear to involve conflicts. The prohibitions can be grouped under three main headings: prohibited fees; prohibited contracts and licences; and prohibited offices.

In the case of fees, parliamentarians will be prohibited from accepting compensation of any sort for interceding with other parliamentarians, public servants or government tribunals. They will also be prohibited from representing before these individuals and tribunals firms of which they are a director or officer. Finally, they will not be allowed to accept compensation for representing clients in court cases where the Crown in right of Canada is a party.

One of the most prominent areas for potential conflicts of interest is that of participation by parliamentarians in government contracts. The bill prohibits members and senators from being officers, directors, legal counsel, financial auditors or consultants for corporations that contract with or receive licences from the government. It also prohibits parliamentarians from holding significant share interests in such corporations.

The prohibitions should not restrict activity where there is little threat of a conflict between a parliamentarian's public duties and his or her private interests. For that reason, the bill contains a number of exemptions to the prohibition against participation in government contracts. I believe these exemptions will make good sense to both members and the public.

Parliamentarians will be permitted:

1. To purchase government bonds or property, and to acquire permits where the terms are standard for all citizens;

2. To hold publicly traded shares of corporations where he or she owns less than 5 per cent of $15,000 worth of voting shares;

3. To participate in contracts authorized by the Government of Canada or parliament;

4. To participate in government contracts where the aggregate amount is less than $1,000 in a given year.

Members will also be allowed to place their assets in trust if they do not wish to dispose of assets which might put them in

violation of the provisions of the act relating to prohibited contracts and regulated activities.

Thus, there will be a balance struck in the area of government contracts and licences. Contracts and interests will not be allowed where there is a recognizable potential for a conflict of interest, but they will be allowed where the potential for conflict is small. In the ordinary course of life members of parliament, like other citizens, will find it necessary to enter into contracts with the Government of Canada in ways which are not exactly obvious until one examines the question of government contracts more deeply.

The distinctions in the area of incompatible offices have been easier to draw. The bill states that parliamentarians will not be permitted to hold foreign, provincial or municipal offices, with few exceptions, or remunerated federal offices.

I need not describe in detail the administrative aspects of the bill. The basic approach is to place responsibility for the administration of the act in the Senate and the House of Commons. That responsibility will be exercised through standing committees of the Senate and the House and their registrars. Of course, the bill empowers only the courts to impose financial penalties for violations of the statute. The fact that a standing committee, for example, of this House can be established and will be involved in exercising the responsibility of carrying out the rules is not only an assurance that the standards will be maintained but also a protection to hon. members that, once having received the blessing or approval of certain activities or certain difficult borderline cases which might be dealt with by the committee, they need have no fear of legitimate public criticism of their activities.

It is my view, therefore, that although the introduction of a conflict of interest regime for members of parliament may appear demanding—and it is demanding—it is also a very desirable protection for them against unwarranted and unjustified criticism which may arise from time to time about their activities. They will, in a sense, be able to fall back on the prestige and authority of a standing committee of the House which will have the responsibility for the administration of the act.

As I said before, the conflict of interest policy proposed in this bill is a demanding one. However, it cannot and does not purport to deal with all ethical aspects of a parliamentarian's responsibility. To do this would lead to a code so detailed and complex that it would be unworkable and probably would obscure the main purpose of the policy. Certain principles cannot be codified into rules. Others need hardly be stated, such as a member's responsibility for the conduct of his staff and for the proper administration of the financial and other resources made available to him.

I would say that when hon. members begin to examine in detail the provisions of the bill they can undoubtedly point to various theoretical cases which could arise, and often it is difficult to devise precise guidelines for every foreseeable case. If we attempted to do so I think our task would be difficult indeed. But I think it is important that we have clear rules in order to maintain public confidence and for the protection of members from unfair criticism.

When discussing the question of conflict of interest, I have always said that while the rules, the legislation, the standards and the codes may be important, the fundamentally important matter is the moral commitment of members of the House of Commons.

● (1550)

It is my conclusion that the moral commitment of members of the House of Commons, by and large, is very high indeed and that in the pursuit of their activities they have been generally scrupulous in avoiding conflicts of interest; but while that may be the case, there will now be a code in operation which will make their obligations even clearer than they have been in the past. That is in a sense a benefit to members of parliament.

I believe we would all agree that the public has a right to expect the highest ethical standards of its representatives in parliament, and therefore we have a duty as members to leave the least possible doubt in that area. I believe this particular bill is a considerable attempt both to provide necessary guidelines for members of parliament and to provide them with protection against unjustified criticism. It will also be a considerable step in providing additional assurance to the public that members of parliament are conducting their affairs or their business with the public interest in mind and that their personal, professional and financial interests are not standing in the way of the carrying out of their public duties. That really is the purpose of this legislation.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I listened very carefully to my colleague the Deputy Prime Minister and President of the Privy Council (Mr. MacEachen), particularly to the last part of his speech when he went beyond the details or the framework of the bill and talked about the spirit of this legislation, and I want to assure him that that approach is also ours with respect to this legislation. That is why I think we all welcome the opportunity, after some period of time, to debate this legislation.

If we recall the time, the gestation period for this legislation is something like the gestation period leading to the birth of an elephant. It has been an extremely long period of time, especially when there has been such wide agreement on the necessity for legislation of this kind.

The green paper was tabled in July of 1973, almost six years ago. It was studied extensively by the Standing Committee on Privileges and Elections and a substantial report was made on June 10, 1975. The proposals were also examined in the Senate in July of 1975 and, a year later, in July of 1976. Last June 26, as the minister has said, Bill C-62 was introduced, far too late to be passed in that session but perhaps not too late to be brought out if there was an election as evidence of the good intentions of the government.

Now we have Bill C-6, one of the first bills to be introduced in this session of parliament. I realize that time is always a

consideration, and in the normal event this will likely be one of the last bills to be brought forward in this parliament.

Mr. Knowles (Winnipeg North Centre): Purely coincidental.

Mr. Baker (Grenville-Carleton): I think we are entitled to ask not whether this trip is really necessary but whether this trip is really being made. That is the question we have to put in terms of timing. We are expecting an election call daily. It may be put off a week or so, but we are expecting an election call within a matter of days.

Mr. Knowles (Winnipeg North Centre): Or a month.

Mr. Baker (Grenville-Carleton): Constitutionally, it could be a month or perhaps two.

Mr. MacEachen: October.

Mr. Baker (Grenville-Carleton): Everyone's last expected date for an election call is really the Easter break, and that is what we are talking about, about mid-April. That seems to be the appropriate time. I cannot look into the mind of the Prime Minister (Mr. Trudeau) any more than can the Deputy Prime Minister. Unless the Prime Minister has taken leave of his senses, we will be into an election before any serious examination of this bill can be completed at all stages.

Today's debate will be brief. I will be the only speaker from this party. However, the committee discussions cannot be brief. Despite the agreement on principle which exists in the House, there are too many complex issues to be examined. Can we possibly cover all these issues adequately and appropriately in the spirit which was mentioned by the Deputy Prime Minister in the next three weeks, carry a report stage and third reading and then get the bill through the Senate, which has a great and legitimate interest in its provisions? I suspect not. Even if we could, the question is, can the Chief Electoral Officer put into place the sections on declarations to returning officers?

It is not hard to conclude that this bill is being dragged out for the second time on the eve of an election as a campaign ploy and that this debate is all fanfare and no parade. If the government really wanted this bill through and in place on the statute books, it would have proceeded with it back in October, November or perhaps December.

I must also express my disappointment that the codification of conflict of interest laws has not been done comprehensively to include cabinet ministers as a separate category, and public servants as well. It seems that members of parliament, who are generally perceived as the least powerful element in the governmental process—nonentities, or "nobodies" in the words of the Prime Minister—are singled out first so that they do not abuse the power this government has never let them have. I think we have our priorities mixed in terms of where the legislative structure on conflict of interest should begin. I think it would have been more appropriate to spell out conflict of interest rules for members of parliament in the first part of the bill and then to add a second part with even stricter rules for cabinet ministers and public servants.

Be that as it may, conflict of interest rules are necessary and welcome, and if this bill is not passed before the election is called a Progressive Conservative government will bring in one at least as strong.

The reasons for this bill are fairly clear. As government—lamentably in some instances—extends its control over all types of business and other activities in this country, the possibility that a member of parliament or a group of members of parliament may be affected directly by an item of legislation, a regulation or some other government action brought before the House increases. We have to recognize that, and we have to ensure that discussions are undertaken to determine what is in the national interest, without distortions caused by conflict of interest in the House itself. Members have to draw a line between, on the one hand, representing their communities or interests with which they are familiar and, on the other hand, representing themselves. I suppose that is the nub of the problem which this bill seeks to address. I do believe that this is not yet a frequent occurence, as the Deputy Prime Minister said. We are, rather, anticipating and meeting a danger which has not yet reached the critical point.

More important for the moment than clear and present instances among members of parliament of conflict of interests is a strong public perception that the danger is not in the future but in the present. We have to take cognizance of that public perception. It is a feature of our national political environment that we do not function in isolation from events in other jurisdictions. The common political gossip of our news media is drawn from the entire democratic world. If an American senator appears to have misappropriated public funds or succumbed to a bribe, that is on our front pages in Canada and it reflects on all of us who are in the legislative function.

• (1600)

When a British member of parliament goes for a swim in Florida and reappears in Australia—and we had an instance of that—we are as fascinated by that as are his own electors. The word "Watergate" conveys almost as rich and varied a meaning to us in Canada as it does to the Americans when they consider their own jurisdiction. These events, however little they may be drawn from our own experience, are a part of our environment and the climate of distrust which appears to go automatically with democratic politics, particularly in those societies which began their political systems when the country was an underdeveloped frontier area.

Sadly, not all blame for the poor image of politicians can be shifted to other countries. We are not free of clear instances of unwarranted use of influence on the part of politicians and their close associates. In the recent past, three of our colleagues have, regrettably, been involved with the courts on charges not reflecting on the dignity or propriety of this House. If we wish to be free of all suspicion, we must be clear of all charges. If we wish to establish and to continue the trust

we feel we deserve, there is absolutely no alternative to the passage of strict conflict of interest rules as quickly as possible.

In examining Bill C-6 we must remember that nothing in a political system happens in isolation, and I think this is the point which the Deputy Prime Minister was trying to make. We are all aware that nothing worth while can be accomplished without significant consequences, both intended and unintended. We want to make sure that anyone who is elected to this House is encouraged to uphold its reputation for impartiality. Equally, we do not want to turn away people who should be here. Every decision we make in the House about salary, staff and rules of behaviour affects the type of membership we will have.

Conflict of interest rules must be carefully designed to fulfil their purpose without the unwarranted side effect of discouraging from public duty anyone who has been successful in his career as an independent businessman, a professional, a skilled tradesman or a farmer. It will be of little utility to the reputation and representative quality of this House if it were to be filled entirely with former salaried employees. This will be the challenge of the committee study—to ensure that this bill is clear, fair and enforceable, without making it a barrier over which the most talented in our society cannot leap.

To retain its full vigour and relevance we must continue to attract to the House of Commons men and women at the peak of their energy and creativity. We must remember too that not everyone elected to the House is able to remain as long as he or she might wish.

I hope that when this bill goes to committee we will be given a clear idea of the type of regulations contemplated for it. As well, it would be useful to hear a little more about clause 2(2), which seems to contemplate "any decision, order, rule or regulation" being overturned by the House, without spelling out exactly how this is to be done. To leave it too vague is to put the procedure for even initiating such a reconsideration entirely at the discretion of the cabinet, and none of us wants that to happen regardless of the political stripe of the cabinet.

Several of the provisions of this bill have been designed—I say this with some regret—without sufficient consideration of the fact that the House is a political forum, the actions of which in many cases are in fact the actions of the majority only. For this reason, they seem to me to provide insufficient protection for the minority opposition parties in the House.

When a candidate is running for election, he or she must make a statement to the deputy returning officer, who happens to be a government appointment, whatever the government is, and partisan favouritism has been known to be a factor. The registrar described in the bill is appointed by the cabinet. Everyone knows that this government would never appoint a Liberal partisan to such a position—we know they do not do that kind of thing, especially in the case of a position for which he might be entirely unsuited—but some future government might, and we must guard against the actions of future governments.

I am glad to see members on the other side and perhaps to my left, when contemplating a future government, looking to this side of the House. I think that is very encouraging. Pity the poor opposition spokesman—and my friend might very well have to consider that situation—who has had to bare his soul to a local government appointee, fly to Ottawa on "Air Mackasey," and then put himself at the mercy of a government appointed registrar. If a member is appealing for some sort of exemption or judgment before the committee established by the draft Standing Orders which will be sent to the standing committee for consideration with this bill, he would undoubtedly feel slightly uncomfortable laying out his case before a committee that happens to be controlled by his opponents.

The situation is a difficult one. Would it not be tempting in some situations to knock off a few troublesome opposition members of parliament by making life unusually difficult for them under the conflict of interest rules and by refusing normal and reasonable exemptions? That is a possibility which we have to consider.

Mr. MacEachen: It may be very shortsighted.

Mr. Baker (Grenville-Carleton): I do not want to be partisan with respect to this matter, but this government and other governments have been known to do things from time to time that are very shortsighted. I call them lapses of judgment, but they do lessen the opportunities for the House to be as representative as possible; and with the possibility of that happening—I think we should be on our guard and devise ways of getting around it. It is a situation which I think deserves the best from all of us.

The whole set-up is itself a conflict of interest between the obligation to treat all members alike and the demands and emotions of partisan competition. That is why I think it would not be unreasonable for the committee to consider some changes, perhaps one where candidates should make declarations to the Chief Electoral Officer rather than to the returning officer in each of the ridings. That would remove it from the passionate political atmosphere. The registrar should be appointed after consultation with and approval by all parties—that is not in the bill but it would be an improvement to the legislation—and after passage of a debatable motion in the House. The position of registrar is so important to the working of the bill that it should not be merely left to the judgment of the cabinet. I think it should be left at least to the judgment of and consideration by the House in the way in which I suggest.

Any committee that is established should not operate on the basis of a simple majority. That is built into the bill now. There is a potential for unfairness. We should consider other methods of getting around that so that the committee can function on some basis other than a simple majority. Because it is a unique committee and may require unique ground rules. Perhaps in doing that we should consider whether some special protection for minority party members of parliament should be built into that structure. Those are matters to which we would like to have attention directed.

• (1610)

I remind hon. members that until the passage of the Electoral Boundaries Readjustment Act the setting of boundaries for redistribution was under the control of the House itself. The situation led us directly to abuses and a new system had to be introduced. In respect of the matter I have been speaking about, there are in this bill many features that smack of the worst abuses of the old redistribution mechanism which I think should be removed or tempered. I do not think we ought to put ourselves in the position with this important bill where we have to re-learn a lot of old lessons which I think are better behind us than in front of us.

Many features of the bill are quite satisfactory and I am pleased to see the comprehensive nature of the disclosure which must be made. We have regarded in the past and are continuing to regard in the future such things as speaking engagements as part of our public duty. As MPs we are all supposed to discuss political issues with the public and to hear their views. This duty should not be regarded as an opportunity for profit. I think disclosure will help prevent that.

So far this temptation has not been too strong for members of this House, and it is not likely to become strong because I do not think we are seen by the public as entertaining personalities to the extent that perhaps some of our friends in the free world are seen as entertaining personalities, people who are paid huge honorariums for speaking. Indeed, the United States is one of those jurisdictions where that has taken place and the congress there has moved against it. They have used their methods, and this is one way that we are considering in moving against that kind of thing in this country.

The touchier issue of foreign travel is also included. We have in the past in this House left this to individual consciences and justification. What I am talking about when I refer to foreign travel is travel by a member of parliament at the expense of a foreign government. My own party has actively discouraged the acceptance of such foreign-paid trips. There is no doubt that foreign countries offer such trips to members of parliament to influence them, and our position is not strong if we are reduced to arguing whether these generous hosts receive value for the money. It is not an argument we ought to enter into. It is a good thing that this bill lays it out clearly that this is a matter to be disclosed.

Another provision the committee will have to look at, and which bothers me a good bit, is clause 23 which specifies that the Statutory Instruments Act does not apply to regulations made by the designating committee under this act. I happen to be a member of the Standing Joint Committee on Regulations and Other Statutory Instruments. The hon. member for Peace River (Mr. Baldwin), who is in the House today, is co-chairman of that committee. We are developing and have developed guidelines by that statute for a review of statutory instruments such as orders in council and other things, work that I consider to be quite important. As time goes on that work will grow in importance, in an era when the government seems to step more and more into areas where it heretofore had not trodden. I do not see why that act ought not to apply to statutory instruments which arise from this statute. I know it may not be desirable to have one committee reviewing the work of another, but I think we should retain this control over the possibility of abuse of regulatory power.

I have tried to be brief, but I want to say in conclusion to you, Mr. Speaker, and to my colleague the government House leader, that we approve of the principle of this bill and most of its detail. I am sorry there is not more of it and that it did not come sooner so the committee would have the realistic hope of finishing its work. The government should have given us a bill that covered all possible instances of conflict of interest. Indeed, there has been time for that over the period of years about which I spoke earlier, but the government has chosen not to do that. It has chosen this first step at the beginning to give us a bill in areas which so far have caused us the least trouble.

I have indicated that we favour the principle of the bill and there will be no other speaker from our party for that reason. We are anxious to get this bill to the committee because it is important not only that this House operates appropriately, not only that members conduct themselves appropriately, but that this parliament—not just this House but as well the other chamber—appear to operate and act appropriately, and that the respective members of each of our Houses appear to act the same way.

It is in that spirit that we accept this bill for the purpose of getting it to the committee where it can be dealt with, and we are anxious to deal as expeditiously as we can in the circumstances with all its detail. We shall be suggesting some changes to strengthen the bill along the lines proposed by the government.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, one of the reasons we on this side of the House—and I am speaking of all three parties over here—were willing to agree to a one speaker per party debate on second reading was that we would still like to see this legislation put in place before this parliament comes to an end. There are some other things like veterans legislation which I regard as more important, and the government House leader knows that, but this is also an important piece of legislation.

As my friend the hon. member for Grenville-Carleton (Mr. Baker) has indicated, and as the very number of the bill, C-6, indicates, it has been before us for a long time during this session. It came as no surprise that the hon. member for Grenville-Carleton appeared to be a bit sceptical of the motive in bringing in the bill at this time. He seems to think there is an election coming and that just before an election governments do interesting things. Our hope is that we can get the bill off to the committee this afternoon, that the committee can go into the details of the bill and possibly get it back before we are dissolved.

Mr. MacEachen: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I hear the government House leader saying "hear, hear" so there is more agreement here this afternoon than one might expect.

An hon. Member: If we get it back, will he call it?

Mr. MacEachen: Yes.

Mr. Knowles (Winnipeg North Centre): I imagine quite a few of us listened with interest to the Prime Minister (Mr. Trudeau) when he was interviewed last evening on the CBC by Patrick Watson. I am sure that any of us who were listening perked up our ears particularly when he got to the question of the possible length of this parliament. He was acting as prime ministers do in that situation, talking without giving any precise answer.

I believe the Prime Minister made one thing very clear, and that is that he does not intend to exceed the length of time set by two procedents, and he referred by name to Prime Minister Bennett and Prime Minister Mackenzie King. We know in the case of Prime Minister Bennett that he called the election in 1935 for a date that was five years and three months after the one that had been held in 1930. We know in the case of Prime Minister Mackenzie King that he called the election in 1945, so that it was held five years and three months after the one that had been held in 1940. Whatever else the present Prime Minister said last night, he made it pretty clear that he would not exceed those precedents. That means that there could be not just a few days or a few weeks but a month or two yet in which to get legislation through before dissolution.

• (1620)

Mr. Baker (Grenville-Carleton): What date are you betting on, Stan?

Mr. Knowles (Winnipeg North Centre): I am still predicting election day on my birthday. The last time there was an election held on my birthday was in 1962. I found it delightful to use as my slogan throughout the campaign these words, "All I want for my birthday is many happy returns." I would be happy to use that slogan again if the Prime Minister decides to call the election for that day.

An hon. Member: When is it?

Mr. Knowles (Winnipeg North Centre): June 18.

Mr. MacEachen: Did you save the posters?

Mr. Douglas (Nanaimo-Cowichan-The Islands): It would make Charlie Lynch happy.

Mr. Knowles (Winnipeg North Centre): Yes, it would make Charles Lynch happy because he is predicting that date also. I was asked if I saved the posters. I did not save those posters because that was quite a while ago. We saved the posters in Winnipeg North Centre from the last election but, of course, that will be a problem this time because under the new Canada Election Expenses Act we must declare their value in the coming election campaign.

Mr. Peters: They have one in antiquity though.

Mr. MacEachen: It will not have any commercial value; therefore it will not be an election expense.

Mr. Knowles (Winnipeg North Centre): At any rate, Mr. Speaker, this little by-play in which we are indulging is intended to underline the fact that there could be time, not just for today's second reading debate but for this piece of legislation, to be dealt with in committee, reported back to the House and for the government House leader to call it. It is an important piece of legislation dealing with a very important subject.

This is not the first time that we have had legislation dealing with the independence of parliament. There are a number of sections in the Senate and House of Commons Act, sections 10 to 24 inclusive, which have the general heading, "Independence of Parliament", and there are also three sections—sections 3, 4 and 5—in the House of Commons Act which relate to the independence of parliament.

A great deal has happened in society and things have become a great deal more complex and much more involved than they were in the days when those pieces of legislation were passed, however, and it is certainly time that our conflict of interest legislation as it affects members of parliament should be brought up to date. That is the purpose of this legislation.

As the government House leader pointed out, the matter has been discussed previously in the Standing Committee on Privileges and Elections, and there was general agreement in that committee on the main outlines of the bill which is now before us. I think that it is reasonable to hope, if the committee has a bit of time to deal with the bill, that it might make a few amendments, some of which I think are desirable, and that it get the bill back in time to be passed before this session ends.

My friend from Grenville-Carleton wondered what the Chief Electoral Officer would do if a bill which includes amendments to the Canada Elections Act were passed very close to the election. I would point out to him, of course, that even the passing of the bill would not put it into effect. It comes into effect at a date to be fixed by proclamation. Even if we had the bill on the statute books, the government could delay proclamation until after the election. Then, of course, it would be up to whatever group of men and women who form the government at that time to decide what to do about the matter.

I think that most of us agreed with the general principles that were outlined by the Deputy Prime Minister when he made his statement introducing the bill today, and it is not necessary to go over that ground. The Deputy Prime Minister made reference to the fact that any bill—and this bill is one in point—that lays down rules regarding one's holdings, investments or connections can be awkward for some persons either in this House or in the other place. There is no use denying that. But I make again the point, which I think my hon. friend across the way made and which the hon member for Grenville-Carleton (Mr. Baker) made, namely, that the public interest

comes first. If it is a bit awkward for some members to have to declare their holdings and their interest, the fact that the public interest comes first overrides that awkwardness.

I appreciate the fact that the legislation deals with two main areas. There is the area of avoidance which informs members of parliament and senators of the kinds of things they must avoid. The other area is disclosure. The bill does not say that a member cannot have investments, resources or what have you, but the heart of the legislation is that there shall be full and complete disclosure. I hope that there are no loopholes in this bill that would make it possible for members of parliament or senators to avoid that requirement of complete disclosure. Sometimes I wonder about this business of a blind trust. I think that the committe had better take another look at that. One wonders at times whether that is not a means of avoiding the real intent of legislation.

I would like to support the point made by the hon. member for Grenville-Carleton with regard to the registrar. We already have certain officers who are regarded as officers of parliament. I refer to the Chief Electoral Officer, the Auditor General and the Commissioner of Official Languages. There may be one or two others, but certainly those three are regarded as officers of parliament. It may be that the government makes the choice and the nomination, but at least the matter must come before parliament and be the subject of a resolution of the House of Commons.

It would seem to me that that type of position ought to apply in the case of the registrar for both Houses or one registrar for each House. I suppose that I might go so far as to let the senators in the other place have a say about their registrar. I am not sure though; it is someting that I will have to think about.

Mr. Peters: Now, don't get carried away!

Mr. Knowles (Winnipeg North Centre): I feel that it does make a difference and is more than just so many words for an officer to be appointed by a resolution of this House rather than by the governor in council. The governor in council appointment means that it is cabinet appointment exclusively, and that we learn about the appointment afterwards. If it were to be an officer approved by the House of Commons, at least we would be told in advance and at least there would be some consultation and assurance that the person proposed is acceptable to all parties in the House. I would urge that that change at least be made in the bill when it gets into the hands of the committee.

There is one aspect of this whole situation that still worries some of us. I am referring to the special position of cabinet ministers. I know that the government's argument in presenting this legislation is that by laying down rules that apply equally to all members of parliament, whichever House they are in, cover cabinet ministers because cabinet ministers are either in this House or over in the other place.

However, cabinet ministers have a special position in that they know what is going on more than some of the rest of us. They are involved in deals and contracts of one kind or another. I do not wish to make reference to any names, but it does concern us at times when a person who has been a cabinet minister leaves this place and in the course of a very short time turns up on the board of directors of some giant corporation which, in turn, deals with the government. That kind of situation ought to be covered somewhere in the legislation.

I know that even before this bill was presented, the Prime Minister established a kind of voluntary registry for cabinet ministers, and under certain conditions one can find the information therein, but there is no legislation requiring such disclosure. There are certain rules of conduct or guidelines about what ministers can do within a period of time after they leave a cabinet post, but they are only guidelines. They do not have the force of legislation. I think they should and I think they ought to be in this particular act that is before us now. I urge that when the committee is dealing with this bill clause by clause it consider this point.

● (1630)

The hon. member for Grenville-Carleton had quite a bit to say about the public's view of politicians. Whatever happens to a politician anywhere in the world, and certainly in the democratic world, seems to reflect on us in this country. That puts a pretty heavy responsibility on us to be above reproach in every possible respect. I suggest that means we have to think very carefully about the things we do, not only with respect to legislation, contracts and all the rest, but about the things we do for ourselves.

I am not going to get into a long speech on a subject about which I feel very strongly, but I hope that in the next parliament we will think very carefully about what we do with respect to pay, allowances, trips, perquisites and all the rest for members of parliament. I do not think it would hurt us to have to struggle a bit to do our job instead of taking the position that we have to be well taken care of. That is not something to be put into this kind of legislation, but if we want to convince the people out there that we mean it when we say we require integrity, honesty and dependability on the part of members of parliament, we should go all the way with it.

I indicated at the start that on this side of the House we gave our agreement that there would be a short debate—one speaker per party—to let the bill go to committee. With that there was also a commitment that our speeches would not be long. I am happy to say that we are prepared to give this bill second reading this afternoon. We hope the government House leader will show that it is not just a piece of window-dressing, but that he is serious about it and will put it pretty close to the top of the list—right up there with veterans affairs as something to be dealt with before this session ends.

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

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

* * *

NORTHWEST TERRITORIES ACT

AMENDMENT TO MODIFY NUMBER OF COUNCIL MEMBERS

Hon. Warren Allmand (for the Minister of Indian Affairs and Northern Development) moved that Bill C-28, to amend the Northwest Territories Act, as reported (without amendment) from the Standing Committee on Indian Affairs and Northern Development, be concurred in.

Motion agreed to.

Mr. Allmand (for the Minister of Indian Affairs and Northern Development) moved that the bill be read the third time and do pass.

M. J. R. Holmes (Lambton-Kent): Mr. Speaker, I shall be very brief on third reading of this bill. As the hon. member for Moose Jaw (Mr. Neil) indicated on second reading on February 16, we, of course, had urged the government to bring this particular motion before the House. Indeed, we indicated we would proceed with quick passage at all stages on that date.

It is important that we understand the urgency of this bill and frankly, as Your Honour will recall, the bill is in response to representations from the Territorial Council simply asking for additional representation in the Northwest Territories. The reason it is urgent is that the council has passed an ordinance on October 27 indicating that they wanted to increase their representation from 15 to 22. In addition, the second part of the bill, which is brief, indicated it would be retroactive in terms of that particular ordinance. I would simply bring to the attention of the House that the deadline is March 31 this year, which shows a degree of urgency to pass the bill. We agree with that particular principle.

I think it is important to point out, as my colleague did on second reading, that this bill does not prejudice the important issue of comprehensive land claims in the north. We must recognize in addition, as my colleague pointed out so eloquently on second reading debate, that it does not represent progress in terms of political evolution in the north. It is a simple measure to increase representation at this time in the Northwest Territories for the obvious reasons of geographical size and the necessity to have additional representatives on the Territorial Council that they feel are absolutely essential.

I hope that the brevity of my remarks will influence others in the House and that we can see speedy passage of this bill on third reading.

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

Government Organization

GOVERNMENT ORGANIZATION ACT, 1978

DEPARTMENTS AND AGENCIES

Hon. Allan J. MacEachen (for the Prime Minister) moved that Bill C-35, respecting the organization of the Government of Canada and matters related or incidental thereto, as reported (with amendments) from the Standing Committee on Fisheries and Forestry, be concurred in.

Motion agreed to.

Mr. MacEachen (for the Prime Minister) moved that the bill be read the third time and do pass.

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I welcome the opportunity to speak on third reading of Bill C-35, an act respecting the organization of the Government of Canada and matters related or incidental thereto.

• (1640)

As members of the House are aware, when this bill was introduced for second reading and reference to the Standing Committee on Miscellaneous Estimates, speakers on this side indicated that we were in agreement with the government's proposal to set up a department of fisheries and a separate department of the environment. In our opinion the government should not have divided the two responsibilities in 1970. It was not long after the change was made that the government realized that it had made yet another blunder and it has taken approximately nine years to right the wrong that was committed in 1970.

During second reading debate we also suggested the bill be sent to the Standing Committee on Fisheries and Forestry rather than to the miscellaneous estimates committee. The government accepted this proposal. The fact that the bill is back in the House this afternoon is indicative that we made a sound recommendation. It is unfortunate the government does not follow the sound advice we give it more often.

Quite frankly, the bill would have been returned to the House at an earlier date if the minister and government supporters had been more co-operative. When the bill was under discussion in committee we raised no objections to the minister reading a lengthy statement dealing with it and other matters pertaining to the over-all fishing industry. However, this co-operation unfortunately was not in evidence when members of the opposition asked relevant questions relating to policies of the new department. It was only after members of the opposition, following an hour and a half of stonewall tactics, walked out of the committee—the minister laughs, Mr. Speaker. These are the facts as I recall them. The minister sat there and said nothing. All he had to do at that time was say—and he was surrounded by his officials—that he had no objection to members of the opposition asking questions. However, that reasonable course was not followed, and it was only after we walked out of the committee en masse that they relented, which resulted in the bill finally being passed. But the government's actions did delay study of the bill.

When making this strict ruling initially we wondered what the government had to hide. This soon became evident. It had given windfall profits to certain fish companies and processors by allocating quotas to them which they could in turn sell to foreigners. According to statements made by the minister and the government's supporters, this policy did cost Canada some jobs. It also became clear that Canada has been out-negotiated by the United States in the quota allocations on Georges Bank.

In addition, as has happened in so many other areas, the government appears to have adopted a policy which we on this side put forth, namely that of licensing at least five freezer trawlers over a five-year period to catch species which Canadians have not generally fished. This is evident in the decision to allow Canadians to catch loligo squid in the U.S. fishing limit zone. I point out to the House that squid has to be frozen almost immediately it is brought in from the ocean so as to retain its quality.

During our examination of the bill a number of government amendments were moved, primarily to improve the French text. It is a matter of some regret, however, that I say to you, sir, and inform the House that an amendment moved by the official opposition to strengthen the proposed fisheries and oceans research advisory council was rejected by government supporters. As the bill reads at present, the government proposes to set up an advisory council under the control of the minister which shall consist of a chairman and not more than 24 other members. It is proposed that members of the council shall include persons from departments, boards and agencies of the Government of Canada.

At that point it was proposed by supporters of the official opposition that the advisory council also contain members representing governments of consenting provinces, for example, those that have a specialized interest in the marine sciences. Unfortunately, this worth-while proposal, which we believe would have served to give the provinces a sense of belonging, a sense of making a contribution, a feeling of unity and of participation in helping solve some of the very basic problems troubling the fishing industry on both coasts, was rejected by government supporters.

Undoubtedly there are times when it is necessary to be partisan, but there are other times when I believe a government should be conciliatory and not reject a worth-while proposal just because it comes from supporters of the official opposition. In my view, this was one of those occasions when the government should have considered some provincial representation on the research advisory council. Such a move would have strengthened the work of the council, and though we in the opposition believe that the over-all management of our fisheries resources must remain in the hands of the federal government, we also believe that there is a greater need for consultation with provincial fisheries ministers concerning the manner in which quotas are established and the manner in which these quotas are allocated to the provinces concerned and to foreign countries fishing within our 200-mile zone.

We in the official opposition believe that the role of the province must be strengthened so they can assist in upgrading the present processing facilities within their borders. Still more emphasis must be placed on upgrading the quality of our fisheries products if we hope to make further inroads into the American market. This is equally true, sir, if we hope to make a dent in the European Economic Community.

At the present time there is great uncertainty within the industry over our future prospects in Europe due, in no small measure, to this government's close-mouthed approach to the GATT negotiations. Since 1974 the industry has submitted three briefs to the Canadian trade and tariffs committee. However, there has been little by way of communication between the government and the industry about progress in the negotiations. At one time, prior to Britain joining the European Economic Community, Canada had free entry of canned salmon, shrimp and lobster into the British market. Now the tariffs on these products range from 17 per cent to 18 per cent, despite the fact that these tariffs are not protecting any European product. The same tariff walls apply to groundfish where exports to the Common Market face a tariff of some 15 per cent to 18 per cent, whereas the Common Market tariff against Norwegian groundfish exports is something like 3 per cent, and I believe Iceland exports its groundfish into the European Economic Community duty free.

The Canadian fishing industry in particular seeks only equal treatment with its two main competitors. It continues to ask just what is going on with the GATT negotiations. I ask the government, what does it have to hide? Why is the government so secretive about the progress, or perhaps I should say the lack of progress, that is being made behind closed doors? I submit you could get more information about the GATT negotiations from the Kremlin than from this government. It is high time that our negotiators and representatives pointed out to these countries that Canada is still granting licences allowing them to fish within our waters. Surely one favour deserves another.

Last year—the minister can correct me if I am wrong but I obtained these figures from the minister's officials in Halifax and I presume them to be correct—we licensed some 300 foreign freezer trawlers and some 190 foreign factory ships which enabled them to carry out fishing operations within our 200-mile limit. Surely this is worth something in the way of a negotiating tool when one sits down with European friends and discusses trade. The fishing industry is not asking for special concessions; it is asking for an equal opportunity when trying to make sales to the European Economic Community.

We asked that the provinces be represented on the advisory council, for we believe they should have the right to make a greater input into the field of fisheries research. The minister has cut down on the number of scientists employed on the east and west coast. I will not quibble with him over the numbers but my information is that some 34 scientists have been laid off, some 23 on the east coast and 11 on the west coast. These men will no longer be employed in the department. All of this is happening at a time when we have declared a 200-mile limit, when the need for specialized research in the fishing industry was never greater.

• (1650)

The provincial arm in this field should be strengthened. In fact, that was the interpretation I took from the minister's remarks when we discussed this issue on previous occasions. In my opinion and the opinion of my party, the place to start this form of meaningful discussion would be with the fisheries and oceans research advisory council. We also believe that the provinces should be represented on the advisory council, which is Part II of Bill C-35, because the province should have their hands strangthened in the field of fisheries education.

There are vast changes taking place in the fishing industry today. New species are being utilized; the catching of capeling, although the stocks are declining, the catching of squid, silver hake, round-nosed grenadier, to name but a few. These are all specialized species, fish that we have not previously utilized because the regular groundfish species, namely cod, haddock, hake and pollack, to name but a few, were in plentiful supply. Now we are aware that some countries look upon some of these species as a delicacy. Squid in particular are considered a delicacy by Japanese interests. Therefore, we believe that new emphasis must be placed on the scientific as well as the educational end of the fishing industry. Our fishermen must be trained in these new techniques.

In the view of the official opposition, this should be the role filled by the provinces. The provincial administrations are closer to the resource, certainly closer than is Ottawa. They are more aware of the species and the methods that must be used in catching them.

These are at least three fields where greater authority can be vested in the provinces. We believe that if this course is followed, our fishermen, whether they be inshore, mid-water or offshore, will enjoy even greater opportunities in this important primary industry.

There is room for hope as evidenced in clause 6 of the bill, which states that the minister of fisheries and oceans may enter into agreements with the government of any province or any agency thereof respecting the carrying out of programs for which the minister is responsible.

This section raises a number of important questions. For example, on February 14 the Minister of Fisheries (Mr. LeBlanc) made a statement outside the House which was really a carbon copy of the releases made by his colleague, the Secretary of State for External Affairs (Mr. Jamieson), dealing with the agreement reached between Canada and the United States for the Atlantic coast fisheries and boundaries disputes.

In the statement by the Secretary of State for External Affairs we are told that the two treaties, the one on the third party settlement of the boundary and the other on fisheries arrangements, will be completed and ready for signature, if possible, by the beginning of March. I would like to know whether these treaties have been signed. Why were these statements made outside the House? Who determined these quotas and the species to be caught in various areas? What fisheries groups were consulted prior to these decisions being taken by our Canadian negotiator?

Were the provincial fisheries ministers consulted on this matter? Will there be any opportunity provided for members of parliament from all parties for an in depth study and debate on this important matter? Speaking of boundaries, where do we stand in our negotiations with France over the fisheries and boundaries claims put forth by France around the small islands of St. Pierre and Miquelon?

When speaking about agreements with the provinces as outlined in Bill C-35, I cannot help but ask what happened to federal-provincial negotiations when the minister recently awarded contracts for the catching of 12,000 tons of codfish off the coast of Labrador. The manner in which the minister awarded each of the five eastern provinces a share of this catch has created considerable concern in all areas, especially among Canadian fishermen. To help clear up this confusion, I believe it would be beneficial if the minister informed us about the method he used to determine the foreign countries that would be licensed to catch these fish, the method used for determining the quotas to be awarded to each province and the final disposition of the processed product. Just what are the terms of the contract he arranged with two communist countries, East Germany and Poland, and how much provincial input was obtained prior to making these decisions so vital to the people of Atlantic Canada?

According to all reports, inshore fishermen are dissatisfied with the government's policy as it applies to class A lobster licences. They claim that present regulations are defeating the idea of a multipurpose inshore fishery. This is especially true in the Northumberland Strait area where a recent meeting was held between the district protection officer and some 70 fishermen who stated that class A licence holders should be allowed to fish for anything available.

These same fishermen have stated that they are also unhappy with the present government's policy on scallop licences. Current regulations state that only those who took scallop during the last two years will be eligible for a licence this year. In addition, the area manager for fisheries has also stated that anyone who has not been active in the groundfish industry will get a licence this year.

Here we have three distinct problems all dealing with licences, licences of lobsters, scallop and groundfish which are requested by our inshore fishermen. I hope the minister will explain the rationale behind his present policies which are obviously creating mistrust and frustration among the inshore fishery of this area.

When we raise these issues, government supporters often ask what we would do. They say it is easy for us to criticize. There are at least 18 different species of clawed lobsters in the Atlantic ocean and another 12 from the Indian and Pacific oceans. Since all clawed lobster species other than Canadian, American and European live in relatively deep water, there has been little commercial development except for the Norway lobster whose current landings exceed the combined catch of European and Canadian and American lobsters.

In the Atlantic ocean clawed lobsters occur from Greenland and Iceland south to the waters southeast of the Falkland Islands and the southern tip of South America. One species has been reported from deep water off New Jersey down through the Caribbean with additional species also in the Gulf of Mexico.

Although most clawed lobsters are much smaller than the Canadian-American and European lobsters, many of them compare in size with the canning lobsters of the southern Gulf of St. Lawrence, approximately two and three quarter inches in carapace length.

It is my understanding that Norwegian clawed lobsters prefer colder temperatures than the European or Canadian-American lobster. Has the minister ever considered conducting experiments which might lead to establishing the Norway lobsters in our own habitat, closer to the Atlantic coast, which would be beneficial to our inshore fishermen?

In another field, Holland and Germany import more than $1 million worth of eels annually from the United States. Eels breed in the ocean and they come up our rivers to lay their eggs. What steps have been taken to improve and develop a Canadian eeling industry for export to Europe where they are smoked and considered a delicacy?

Finally, I would like to know—and this is under the minister's responsibility—what progress has been made in opening up the Canadian swordfish market in the United States. Now that an acceptable level of mercury in swordfish has been established in the United States, swordfish catches are showing up on the docks of Gloucester, South Carolina, Georgia and Florida. This is a multimillion dollar industry. I recently held discussions with the Japanese ambassador concerning the potential for swordfish in his country.

The Acting Speaker (Mr. Ethier): Order, please.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for York-Simcoe (Mr. Stevens)—The Canadian Economy—Measures to reduce current account deficit; the hon. member for Brandon-Souris (Mr. Dinsdale)—Post Office—Overnight intercity courier service—Alleged secrecy respecting program; the hon. member for York-Sunbury (Mr. Howie)—Energy—Inquiry whether DREE represented in Maritime Energy Corporation.

Mr. MacEachen: Mr. Speaker, if the hon. member for South Shore (Mr. Crouse) would like to complete his remarks within the next few minutes, I am sure the House would be agreeable. At least, I would ask if the House would be agreeable, particularly the hon. member whose bill we will be dealing with, to consent being given the hon. member to continue until he completes his remarks.

The Acting Speaker (Mr. Ethier): Hon. members have heard the request of the Deputy Prime Minister (Mr. MacEachen). Is it agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Ethier): It is so ordered.

GOVERNMENT ORDERS

• (1700)

[*English*]

GOVERNMENT ORGANIZATION ACT, 1978

DEPARTMENTS AND AGENCIES

The House resumed consideration of the motion of Mr. MacEachen (for Mr. Trudeau) that Bill C-35, respecting the organization of the Government of Canada and matters related or incidental thereto, be read the third time and do pass.

Mr. Lloyd R. Crouse (South Shore): I thank the Deputy Prime Minister and the House. Only recently I discussed with the Japanese ambassador the possibility of opening up the swordfish market. At that time I pointed out to him that the market in his country for tuna which are taken in the St. Margaret's Bay area and put into a corral and fed until they are fat enough to satisfy the Japanese was a very profitable one for the people of Nova Scotia, and I suggested some steps might be taken to open up and expand the swordfish industry. The ambassador appeared to be very interested and I pass this information along to the minister in the hope that his officials will follow up the matter and bring us up to date not only with regard to the swordfish industry but with respect to all the other items I have raised in the course of my address.

The Acting Speaker (Mr. Ethier): Is the House ready for the question? The hon. member for York-Sunbury (Mr. Howie) on a point of order?

Mr. Howie: Mr. Speaker, I was intending to speak. I was trying to catch your eye.

Mr. Baker (Grenville-Carleton): Mr. Speaker, as I understand the situation, there was time allowed in order to permit the hon. member for South Shore (Mr. Crouse) to finish his remarks. I understand that the hon. member for York-Sunbury (Mr. Howie) also wishes to take part in the debate. As far as I know, he is the last speaker in the debate so I presume we shall be dealing with this matter to complete it finally at eight o'clock.

Mr. Railton: Do I understand we shall not now be talking about this fisheries bill? We have agreed to allow the bill to be completed at this time but we did not leave it open for further speeches. It was due to the courtesy of the hon. member for Vaudreuil (Mr. Herbert) that this extension of time was allowed.

The Acting Speaker (Mr. Ethier): I gather, then, that there is not unanimous consent that we should proceed. Therefore, we have to call private members' business.

Mr. Herbert: Mr. Speaker, if it is intended to continue with the government bill, I am quite willing to give that consent.

The Acting Speaker (Mr. Ethier): Hon. members have heard the intervention of the hon. member for Vaudreuil (Mr. Herbert). Is that agreed to?

Mr. Baker (Grenville-Carleton): Agreed.

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, my remarks are largely confined to Part VII, having to do with the National Research Council. According to the 1977-78 report of the president, the National Research Council is to "undertake, assist or promote scientific and engineering research to further Canada's economic and social development".

Since 1917 the NRC has been the premier research agency in Canada. The government has modified the functions and altered some objectives of the NRC in recent years in its effort to co-ordinate scientific effort in Canada. It is beyond question that the policies of the government have greatly altered the operation of the NRC. It is certainly questionable whether the co-ordination of the Canadian science effort has been effective. Until recently, NRC had three operations programs, namely the engineering and natural sciences research program, the scientific and technical information program, and the scholarships and grants in aid of research program.

In 1974-75 the principal research activities of the NRC were modified so that the highest priorities were accorded to the following two activities. Firstly, top priority was given to research on long-term projects of national concern. This research is directed toward the solution of problems in such areas as energy, food, transportation, building and construction. Second priority was assigned to research in direct support of industrial innovation and development. This category includes research on promising areas of new technology, effective methods of technology transferred to industry and technical and financial assistance to industry to carry out specific research and development projects to the point of industrial innovation.

In 1977-78 technology transfer and utilization of research results was accorded a separate priority status reflecting the growing concern for the dismal state of Canada's secondary manufacturing industries and the low level of innovative high technology industry in this country.

It is important to note, however, that the NRC has not abandoned its basic and exploratory research which composes about 25 per cent of its intramural research effort, a field that has won world-wide respect for the council.

In 1972, the special Senate Committee on Science Policy recommended that the NRC be transformed into "an academy devoting all its activities to basic research and long-term applied research with no specific objective, that most of the intramural basic research be concentrated in this institution, and that a substantial portion of its work be performed at the request of government agencies and private firms on a fee basis."

At the same time, the granting function of the NRC would be given to a "new foundation for the physical sciences". This proposal has been converted into reality with the creation by parliament in 1977 of the natural sciences and engineering research council. Beginning in 1977-78, NSERC has assumed the administration and operation of the NRC's program of scholarships and grants in aid of research in the natural sciences and engineering.

The Senate committee also envisaged the creation of a new institution to be called the Canadian Industrial Laboratories Corporation, primarily to carry out intramural research and development programs designed to serve the needs of manufacturing industries. To date the government has not acted on this proposal.

Finally, the Ministry of State for Science and Technology was intended by the science committee to be the central government ministry charged with the task of reviewing and assessing the proposed science programs of the other departments and agencies of the federal government. To date, the Ministry of State for Science and Technology has not been able to discharge this simple duty.

I want to consider for a moment the effect of the creation of the NSERC and the loss of this granting function by the NRC. In the past the NRC has spun off certain major functions as these have grown to independent status of their own. Atomic Energy of Canada Limited, the Defence Research Board and the Medical Research Council are cases in point. These three organizations are different in nature from the NRC's granting function. To refer back to the National Research Council of Canada report of the president, 1977-78, at page 18, Dr. Schneider comments:

> The separation of the university grants function which has been one of the cornerstones of NRC's broader science role in Canada represents a more fundamental change. In fact, the development and nurturing of scientific research in Canada and the provision of the necessary infrastructure for science has been an ongoing NRC responsibility since its was established some 62 years ago. There is no doubt that the interaction with the university sector which this role engendered has been highly beneficial to NRC in carrying out its own research mission, and the close contact it has had with all three sectors, university, industry and government, has greatly facilitated the co-ordination of research programs in Canada. In order to retain some of these advantages in future, it will be essential for NRC to endeavour to maintain active liaison with a new council and the university sector.

In the future, because of the creation of the NSERC the role of the NRC will be less involved in the general development of science in Canada, particularly at the university level. Rather, NRC's future role will be more mission oriented and, according to the same report:

... largely centred around its laboratory programs together with extramural research projects strongly coupled so as to reinforce, extend or exploit laboratory programs. Additionally special emphasis will continue to be given to promoting industrial research and development and to supporting promising research projects in industry.

● (1710)

The granting function represented a major program for NRC, amounting to almost $110 million in 1978-79. Whether the separation of the two bodies will affect the relationship between NRC and the university basic research program remains to be seen. In addition to the fear that the creation of the NSERC will have a detrimental effect on the general development of science in Canada is the concern that the appointment of a non-scientist to the presidency of the new council has not been well received by the scientific community.

The formation of a Canadian industrial laboratories corporation proposed by the special Senate committee has not been accomplished. The committee felt that CILC was necessary because the NRC could not, in the committee's view, excel in the fields of basic research and industrial research. It is perhaps appropriate to question the accuracy of this conclusion since NRC has the right to claim considerable success in both areas. During the last five years 80 patents resulted from research carried out in NRC laboratories and, of these, 42 have thus far been successfully licensed to industries in Canada.

Under NRC's industrial research assistance program 255 projects were supported during 1977-78 for a total value of $15.6 million, which supported 744 research scientists and 507 technicians on industrial research projects. As a partial measure of benefits arriving from successful completion of IRAP projects, a sample survey of ten companies showed that previous IRAP support of $3.619 million subsequently led to the creation of 410 new permanent jobs in these industries or one job per $8,800 of IRAP funds invested. These figures do not include indirect employment in associated construction, subcontracts and services. Contracts completed, currently in place and under negotiation under NRC's program for industry laboratory projects, PILP, which will cost approximately $25 million are projected to give rise to about $1.5 billion in product sales and about 3,000 jobs.

In addition, the NRC claims that it has established an effective program of technology transfer to industry and that it also has an effective publication and technical information transfer capability. These propositions are demonstrated in the report of the NRC president which I quoted earlier and are illustrated at page 12.

I suggest that this clearly demonstrates the tremendous effectiveness that research and development can have on developing industrial production and marketing capability and creating good jobs in Canada for Canadians. It is my feeling that the creation of the CILC as a spin-off of the NRC is now due and that the specialization we require in this field will be a dynamic to improve Canada's research and development capability in years to come.

[Mr. Howie.]

Finally, we have to consider the performance of MOSST. With the partial dismantlement of the NRC by the removal of its granting function to the NSERC, Canadian science, in the view of some, no longer has institutional leadership. Certainly, NRC exercised leadership over many years. It is abundantly clear that MOSST does not exercise leadership in science mainly because it has no control over the science program of other federal departments and agencies. Also, the rapid turnover in ministers has inhibited the development of a strong voice in cabinet. One is left to conclude that the government has not effected a comprehensive science policy for Canada. Granted, some of the recommendations of the Senate science committee have been enacted, the NSERC and MOSST, but other recommendations have not been pursued.

Caught in the middle, the NRC has lost its major function as a central power in Canadian science, but no other body has been established to pick up the mantle. It appears to be a question of incomplete planning and inappropriate half actions. In the field of science Canada has lost more in reorganization that it has gained.

Canada's research and development effort is dismal compared with that of other industrialized nations. At present Canada's annual gross expenditure on research and development stands at about .92 per cent of gross national product. In 1970 the figure was 1.21 per cent. In 1975 when Canada's gross expenditure on research and development was 1 per cent, comparable figures for the other nations were: United States, 2.35 per cent; Germany, 2.16 per cent; Japan, 2 per cent; France, 1.86 per cent; Sweden, 1.59 per cent. From 1970 to 1978 the real value of federal government research and development expenditures measured in constant dollars declined, although current dollar expenditures rose each year. Further, regarding the federal government's research and development effort as measured by the ratio of total government research and development, total government spending declined steadily from 3.55 per cent in 1970 to 2.02 per cent in 1976. In 1977-78 there was a slight recovery, with the level on effort measuring 2.1 per cent in 1978.

By the most objective measurements, then, it must be concluded that the present government has not been notably outstanding in its support of science and technology. What is particularly ironic in this situation is the fact that few countries, particularly in the last decade, have devoted as much study, analysis and creative energy to science policy as Canada has.

In 1978 the government made some serious attempts to stimulate research and development both through increased federal funding and through tax incentives. A major goal announced by the President of the Treasury Board (Mr. Buchanan) in June was an increase in gross expenditure for research and development to 1.5 per cent of gross domestic product—not gross national product, as reported by many observers and commentators—by 1983. Critics pointed out that to attain this goal, research and development expenditures in industry would have to grow by an average 19 per cent each year and government and university expenditures by 12 per

cent or 13 per cent annually. These were seen as possibly unrealistic targets, and it was suggested by some that the total package of incentives announced in June of 1978 was motivated, at least in part, by the anticipated federal election.

In August of 1978, however, the government launched an austerity drive and announced plans to reduce federal spending. Science and technology, including various research and development programs, were affected in some areas. The government proposed to reduce the fisheries program by closing down the main Halifax laboratories and cutting back on the work done at facilities in Vancouver, Winnipeg, St. Andrews, New Brunswick, and St. John's, Newfoundland. The purpose of the cuts was to effect a $2 million saving in the federal budget.

At the same time the Minister of State (Environment) (Mr. Marchand) proposed to eliminate the Petawawa forest experimental station north of Ottawa, a 60-year old enterprise which represents a $100 million Canadian investment in forestry research. *The Globe and Mail* described the action as being initiated "for the sake of a paltry cut in government spending which is in fact not a cut at all but a bookkeeping exercise to scrape up funds for other spending programs". A loud public outcry ultimately persuaded the government to reconsider its decision.

Agriculture Canada announced at the same time that the Canfarm program, a computer based financial management service to farmers, would be closed out. The program also had a significant research component, particularly in the field of farm management, but also in communications and business administration. The net saving was set at $5.5 million.

Then in his budget speech on November 16, 1978 the Minister of Finance (Mr. Chrétien) announced new tax incentives for industries performing research and development.

The picture which emerges over the past year is rather confusing. On the one hand, the government announces increased funding and tax incentives to stimulate Canadian research and development; on the other hand, it abruptly terminates important government research programs. *The Globe and Mail* commented on the confusing activities of the government in the following way:

> If science and technology of which research is the cutting edge are important enough to have a minister of their own they are surely important enough to have a policy of their own. But the manner in which they are left scattered in shreds and patches, $2 million here, $5.5 million there to be cut at the whim of any minister or any department makes it evident that the only policy to which they are subject is that of short-term opportunism and that the only minister responsible for defending them would rather keep his portfolio than fight for it.

A prophetic comment! The minister was promoted. It is at least arguable that the present government, although it has belatedly recognized the importance of research and development both in industry and elsewhere, has not yet evolved an effective and coherent national science policy.

Basic to an effective research and development effort in secondary manufacturing is a national industrial policy. Canada's industrial research and development effort is strangely out of step in the industrialized world in which Canadian products must compete. The business sector in Canada provides only about one third of research and development expenditures, compared with figures of 40 per cent to 50 per cent for most industrialized countries.

● (1720)

Further, the business sector in Canada performs about 40 per cent of R and D compared to 50 to 65 per cent for business sectors in most advanced countries. In Canada also, for every scientist and engineer engaged in R and D in the government sector there is slightly more than one in the business sector. In 1975 the ratio was actually about 1.2, and 30 per cent of the national scientific and engineering manpower was in universities. In contrast, in the United States, Japan, Germany and Sweden there are approximately five scientists and engineers in the business sector to every one in government or industry.

A factor of major importance in industrial R and D is a very high proportion of foreign ownership of Canadian secondary manufacturing industry. In June of 1978 the *Financial Post* quoted a science ministry official as stating that Canadian owned firms do proportionately more R and D than do foreign subsidiaries. Thus, until a coherent and effective industrial and foreign investment policy is put in place in Canada it is illogical to expect that effective R and D and significant innovative high technology industry will be developed in Canada.

The forest industry by any standard is a major enterprise in Canada contributing $6 billion to a favourable balance of trade and providing direct or indirect employment for nearly one million people. The industry is in trouble, however, because Canada's share of world markets for forest products has declined over the past 20 years from 31 per cent to 19 per cent, while the United States share has increased from less than 9 per cent to more than 12 per cent. Canada has 13 per cent of the world's soft wood resources but produces only 11 per cent of the world's harvest in soft woods. In contrast, the United States with only 11 per cent of the same resource harvests 22 per cent of the world's total. General productivity in the Canadian wood products industry is about 15 per cent less than in the United States. As a specific example, British Columbia saw mills recovered 25 per cent less lumber from a given log volume than mills in the United States Pacific northwest.

The present state of forest products research and development in Canada is lagging as it is in most areas. But the situation in forestry may be worse than the national average. Federally funded R and D in Canada is about $7 million as compared to $14 million in the United States. Industrially funded R and D in Canada is only $20 million compared to $180 million in the United States. Among the 20 leading industrial sectors in Canada, wood processing ranks last in R and D expenditures.

The Canadian forestry service is only poorly supported by the federal government. Although forestry once enjoyed the status of a separate department, the federal effort has been consistently reduced over the years. In the last decade the

Canadian forest service has lost more than 50 per cent of its man-years, a time period when significant manpower growth has occurred in almost every other area of the federal public service. The budget of the Canada forest service is only one quarter that of the federal science and technology expenditures for fisheries, energy, mines and resources, and agriculture. Forestry is noted to contribute $6 billion to Canada's trade balance, which is comparable to the net contribution of fuels and minerals and much greater than the $1 billion created by agriculture and the $0.3 billion from fisheries.

The budget of the Canada forest service will be slashed by a further $5.3 million, or 15 per cent, in 1979. Both the eastern and western forest products laboratories are to be handed over to the private sector and will face an effective budget cut of more than 45 per cent as of April 1, 1979.

Again, the government actions in cutting forestry in R and D is puzzling, considering the stated intention to stimulate industrial related R and D in Canada. The forest enterprise is already seriously underfinanced at the federal level and the proposed cuts can hardly be justified. One might suggest that these moves represent another symptom of the lack of a coherent federal science policy.

Consider the recent government program to assist in the modernization of our pulp and paper industry over the next three years. It has a pleasant sound but the sound is distorted when we look at the government's performance. On June 1 of last year the government earmarked $2 million for the creation of five regional university based industrial research innovation centres, to be spent over the next five years in consultation with the provinces. Where are they? They are non-existent.

The centres of excellence was another excellent program announced last June. The province of New Brunswick in good faith proposed a forestry complex for the University of New Brunswick to assist the forest industry which is so important to Atlantic Canada. Last fall I asked the minister of science when the announcements would be made and he indicated that many interesting proposals have been received and were being reviewed; and, Mr. Speaker, they are still being reviewed. Where are they?

Another proposal to expand the NRC's program of industry laboratory projects is an excellent development but there is a dearth of information regarding its implementation. There is also great disappointment that it was not extended to include university laboratories. The research experience that inhouse university scientists or engineers have must be combined to assist the industrial development of marketable products. I believe too that Canada's scientific and technological associations are capable of making a major contribution in the process of developing the appropriate marketing and management skills necessary to effect transfer of technology to the private sector.

I remain deeply concerned that the government has not yet devised a long-term policy for the funding of university based scientific research. Three to five-year budget projections for the granting councils updated annually would confer a much needed stability to the Canadian university research effort and eliminate cost-ineffective on and off funding planning.

The government's procurement policy announced last June is still not before us and a new and important role for FIRA is still mystery. The government announced new programs which are not implemented, dismantled old programs, does complete about-faces in terms of industrial incentives for research and development, and sets small national goals which it seems to hope to achieve by some form of magic or levitation. Our science policy seems comparable to the man who jumped on a horse and drove off in all directions. In real terms we are making a great effort and going nowhere.

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

The Acting Speaker (Mr. Ethier): It being after five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions, private bills, public bills.

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

DECENTRALIZATION OF DEPARTMENT OF VETERANS AFFAIRS

Mr. Hal Herbert (Vaudreuil) moved:

That an order of the House do issue for copies of all correspondence, notes, minutes of meetings and other communications relating to the decentralization of the Department of Veterans Affairs to the province of Prince Edward Island.

He said: Mr. Speaker, I have spoken on this motion on previous occasions and will not repeat my comments, which are already on the record. Suffice it to say that I have asked for these papers because concerns are still being expressed about the move of the Department of Veterans Affairs to Prince Edward Island.

Let me put on the record that I am not speaking against decentralization but only hoping that enough information can be produced to convince everyone that the move is a wise one. In that regard, all I want to do this afternoon is to put on the record some of the latest concerns that have been expressed, and I will do that by reading an extract from a letter which has been sent to me, and possibly to other members of the House, dated February 2 from the Royal Canadian Legion. It reads in part:

The Royal Canadian Legion is convinced that the inclusion of the Canadian Pension Commission in the move of the Department of Veterans Affairs to Prince Edward Island is a grave error. We had serious reservations in 1976 when the decentralization plan was first announced and told the minister so. We believed then and we do so even more strongly today that it would be impossible to move the commission without serious impairment of that organization's ability to serve disability pensioners, prospective pensioners and their dependants.

We are in sympathy with the plan to create jobs in Prince Edward Island, but not at the expense of disabled war veterans.

● (1730)

In the attachment to the letter one can read as follows:

The Royal Canadian Legion opposes this move for it is convinced, after careful evaluation of the position, that such a move will have a very harmful effect on the commission's ability to serve veterans. It is the Legion's view that it will impair efficiency, reduce productivity and involve substantial delays in adjudication for a period of three to five years.

The commission employs many specialists, both in medical and other categories. These people are vital to the maintenance of a fair and efficient adjudicating process. It takes years of experience and training as members of the commission staff before the majority are proficient to a point where they can process pension claims according to the high standards which we have come to expect as proper. For example, it normally takes two years or so for a doctor to be fully versed in the specialized pension work. The number of such specialists who have indicated that they would be willing to move to Prince Edward Island is pitifully small. For example, four doctors on the medical advisory staff out of twenty-five seem likely to move!

Many of the medical/clerical specialists who now work for the commission are married women whose family ties will make it impossible for them to move to Prince Edward Island. It is not easy to recruit suitable people for this work in Ottawa, where there is a considerable pool of prospective candidates. We believe it would be very difficult to recruit and train people for employment in Prince Edward Island, without a serious deterioration in the speed of processing claims, and the standards of adjudication.

A percentage of pension claims has to be processed in French. The reluctance of French-speaking persons to move from the province of Quebec to Ottawa is a known fact. This is so despite excellent educational and cultural activities in the French tongue which the Ottawa area can provide. We believe that the task of recruiting properly trained French-speaking people to fulfil the commission's requirements in Charlottetown will be a difficult one.

The relative isolation of Charlottetown also gives cause for concern. Despite official claims to the contrary, this cannot help but make for delays. As is well known, these occur now, despite the fact that Ottawa is more or less in the centre of things. With the exception of entitlement boards, almost all of the commission's business is transacted by correspondence. Eight per cent only of the veteran population lives in the Atlantic region, within easy reach of Charlottetown.

The isolation of Charlottetown will also complicate the travel arrangements of the pension commissioners who must move around the country to hold personal hearings. The extra travel time required for journeys to western Canada will mean a reduction in the number of cases to be heard each trip, unless travel on Saturdays and Sundays becomes the norm.

The Royal Canadian Legion has continued to press for the retention of the Pension Commission in Ottawa since the move was first announced.

I put those comments of the Royal Canadian Legion on the record as I think they express these concerns in just as good terms as possibly I could use. I have asked for the documentation and papers supporting the move on the assumption the department has already looked into these questions. I should like to know what answers it came up with, and that is why I have asked for the production of these papers. I think this recent letter of just last month from the Royal Canadian Legion is a clear indication of the continuing concerns that have been expressed by many groups, and it is for that reason I ask again that there be more disclosure of the investigation carried out prior to the decision to make this move.

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, I rise to support the parliamentary secretary on his motion as I think it is important, and I should like to show him that he has struck a responsive chord on this side. I understand this is the third time going through the proper channels that he has attempted within a month to have parliament demand that papers be made available. He has been supported each time by someone from this side. The hon. member for Hastings (Mr. Ellis) has participated in the debate on each occasion.

It is particularly difficult for us to understand why these papers are not made available to a parliamentary secretary. It would be difficult enough to understand if he were a backbencher, but you will know, Mr. Speaker, that since 1974 parliamentary secretaries have been considered to be nearly part of the cabinet, for when ministers are absent they speak for them in the House of Commons. Yet here is a parliamentary secretary who asks for simple, innocuous papers, and cannot get them. He cannot get them from this minister, who once again is not in the House to hear the representations of the parliamentary secretary. The last time I heard this minister advance anything in the House was about three weeks ago when he advanced D-Day by about three and a half months so he could make his eulogy before the dissolution of the House. That must have provided one of the more funnier viewings for the TV audience in recent months.

I should like to commend the hon. member for Vaudreuil (Mr. Herbert) for his persistence in this matter. On looking back through *Hansard* I found that a year ago yesterday he was speaking in the same vein. He has tried, faithfully and with all the proper decorum, to get what should be the right of every member of parliament. The government will not give anything to the opposition, and now it turns out it will not give its own members information, information which they want for purely practical purposes.

I would like to point out what the parliamentary secretary said a year ago. As reported at page 3725 of *Hansard* for March 7, 1977, some two years ago, the hon. member had this to say:

The recent announcement that many of the branches of the department would be transferred en bloc to Prince Edward Island met with anything but a favourable reaction among employees. A release issued by employees of the department gives expression to this concern and draws attention to the disruption of family life, the main reason given by the overwhelming majority of departmental employees for rejecting the transfer to Charlottetown. According to answers given by employees of the department responding to a Public Service Alliance circular, many members of the veterans affairs component last November rejected the idea of a transfer by some 90 per cent; only 5 per cent favoured the move, and the remainder claimed they were undecided at that time because of lack of information as to the government's intentions.

That is a very clear indication of what is going to happen to the Department of Veterans Affairs which, let us remember, is here for the benefit of veterans, not for the benefit of government, not for the benefit of the mayor of Charlottetown, and not for the benefit of the minister. It is in existence for the benefit of veterans.

Veterans have the right to be treated well and efficiently by the department. This is a department noted for being behind in its business. Every time a question is asked in the House or by letter to the department about a pension application, a pension readjustment or a pension hearing, we hear that there is a backlog of thousands of applications. Yet at this precise time the minister decided to shatter the department and send the pieces that survived to Charlottetown. God only knows how many thousands of cases they will be behind as a result of such a move. It really boggles the imagination that these people

should come up with the idea of doing this at this particular time.

The hon. member for Vaudreuil, the Parliamentary Secretary to the Minister of Public Works and Minister of State for Urban Affairs, read from a letter from the Legion. I should like to read from an editorial that appeared a few days ago, which I think sums up the whole problem in respect of this move. It is not that people are against decentralization, but they are against anything that turns the administration into a shambles, particularly when there is one element that is vitally affected by a decision made by the Canadian Pension Commission. The editorial is headed, "They Have Done it Again" and it reads:

The problem began October 28, 1976, when Veterans Affairs minister ... dropped a bombshell: his department would be moving from Ottawa to Prince Edward Island as part of the federal government's decentralization program.

On October 29, 1976, Douglas McDonald, then dominion president, announced that the Legion realized the need to create jobs in Prince Edward Island, but was opposed to the move because there was "bound to be a deterioration in the service to veterans and their dependents."

A relocation task force was set up to carry out the political order and the 1977 survey of DVA's headquarters staff showed that only 20.5 per cent of respondents wanted to move. The minister insisted that this group would form a sufficient core to ensure continuity and maintain the level of service.

● (1740)

It just does not stand the test of practicality that you can take one fifth of a group that is always behind in the review of pension requirements and pension claims, and say that that one fifth will be able to keep up the service.

The editorial continues:

On January 27, 1978, Mr. MacDonald announced that a 11.9-acre waterfront site in Charlottetown had been selected and he praised its suitability.

The editorial goes on discussing the hilarious fiasco that then went on to the effect that they had chosen this site but the people who own the property had never heard that the department was even looking at it or thinking of it. The latest story is that the department will be decentralized within Charlottetown in various bits of rental accommodation here and there. The story goes on and on, and it does not get any better the more one reads of it.

I would like to refer to a speech made by the hon. member for Malpeque (Mr. Wood) the Parliamentary Secretary to the Minister of Regional Economic Expansion, on March 16, 1978 one year ago. How is it that these things always seem to come up in March?

Mr. Parent: Beware the ides of March.

Mr. McKinnon: Yes, beware the ides of March. Somebody ought to get assassinated over this matter. The Parliamentary Secretary to the Minister of Regional Economic Expansion pointed out some of the things which were going on with regard to this move and the care that they were taking. As reported at page 3852 of *Hansard* he said:

Officials of the Department of Veterans Affairs have worked with Treasury Board secretariat task force on decentralization for more than a year to determine which units and functions can be relocated. They also developed details of operation, cost and other factors which would permit cabinet to decide which units can best be relocated.

This is exactly the kind of information which the hon. member for Vaudreuil is seeking. The hon. member would like to know why they are doing this, but the minister will not tell him and the government will not let him look at the reasons for making its decisions. Will the world crack apart if someone finds out what is causing this government to move in the irrational way which it frequently does? The studies were done, the task force met, they kept minutes, they prepared notes and made recommendations. One would think that we are in a time of war and that these are great state secrets which might lead to the defeat of the nation if they were made public. The government will not only not allow them to be made public, they will not allow their own advisers to see the information. There is paranoia about the matter of secrecy in this government.

The parliamentary secretary went on to say:

In preparation for location, the Department of Veterans Affairs, in conjunction with the Department of Regional Economic Expansion and the Department of Urban Affairs, together with representatives of the province of Prince Edward Island and of the city of Charlottetown have formed a trilevel committee to address itself to all aspects involved in the relocation.

What is the matter with us finding out what these people decided? What is the matter with us finding out about what they were considering when they decided to move this department at that time?

The parliamentary secretary went on to say:

Also included in the advance planning team is Dr. John Glendenning, president of Holland College in Charlottetown, with whom the department might soon be working to develop curricula to provide islanders with skill training for possible recruitment to the Department of Veterans Affairs.

What is so tragic if a parliamentary secretary finds out what they were thinking about? Will it cost an election or something? Is there anything that this government is willing to tell anybody about?

Mr. Parent: That is what I am going to do.

Mr. McKinnon: I will not hold my breath waiting for you to do it.

Here is another quotation from the parliamentary secretary's speech:

When the committee addresses itself to all aspects of the relocation and a great many different subjects, among the committee's concerns will be the effect of the move of employees of the Department of Veterans Affairs and their families on the medical, health, cultural and educational facilities in P.E.I.

Why can we not get that information? The hon. member keeps asking for it, and he is a parliamentary secretary. I would think that at some point he should have a chance of obtaining this information.

I do not want to take up too much time or be accused of talking this particular motion out. As I said before, I rose to speak so that the hon. member on that side would know that he has friends on this side, even if he does not seem to have any sympathetic souls on that side. Why is there not a civilized compromise on this matter?

I had the same problem a couple of years ago with one of the ministers, one who is not quite as bullheaded as the Minister of Veterans Affairs. I needed information that was being supplied by a company under contract to the government, and the particular minister did not think that I should have that information. We had a little chat, and he said, "You can't have that, and you can't have that", and I said, "Well, I want that and if you'll give me that one, I'll give up on the other one." We came to an amicable arrangement and he provided the information that I needed to do my job as a member of parliament. I suggest that that is all the parliamentary secretary wants to do is his job and represent his constituents. Yet the government will not give him the slightest bit of assistance. It just closes the door and lets him fret outside.

We saw an example yesterday of what happens when the government gets too autocratic with its own supporters when the hon. member for Cochrane (Mr. Stewart) took about the only solution available. I would like to welcome anyone else who would care to participate in the same trip.

Mr. Gilbert Parent (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, I am very happy to have a chance to remind my honourable colleague of what happened a few years ago when someone was dissatisfied with his party and crossed the floor to this side. You win a few and you lose a few.

Mr. Baker (Grenville-Carleton): You've regretted it ever since, haven't you? We got the best of the deal.

Mr. Parent: I would like to deal with the strategy and the impact of this very important move. I think that addressing ourselves to this matter is what we should be doing. I would be more than willing to present this type of information. For example, in preparation for the relocation in Prince Edward Island, the Department of Veterans Affairs in conjunction with the Departments of Regional Economic Expansion, Public Works, and Urban Affairs formed a tri-level committee which collectively addressed itself to all aspects of the move. This is what the hon. member was talking about.

Among his concerns was the availability of medical, health, cultural and educational facilities on Prince Edward Island and, also, everything from French classes at the schools, colleges and universities, to cultural and recreational resources. I would like to add here, however, that the extent of the requirement of the French language training will not be known until it is determined how many French speaking employees will choose to locate in Prince Edward Island. Considering the current trend in Canada, one would expect greater availability of education in the French language by 1981, and this is when the move is contemplated to be made.

This tri-level planning committee is not only a group of federal officials, but it involves the participation of people from the federal, provincial, and municipal governments. Many times we are charged with taking the position that we do not want to discuss such matters with other people. Just the opposite is true. We are doing all we can to bring all levels of government in on the situation.

I agree with the hon. member for Victoria (Mr. McKinnon) when he states that the most important thing in this matter is that we take care of our veterans. Is the hon. member saying though that by moving to Prince Edward Island the veterans will not get the services to which they are entitled? I would remind him that there are many offices—and I will refer to this topic a little later—right across this land where our Canadian veterans can get services. Surely Ottawa is not the only place in Canada to get whatever problems that exist straightened out. Surely there will be enough talented, trained, educated people in Prince Edward Island to solve these problems as they come up.

There may be more federal officials on the committee than officials from the provincial and municipal governments, but this is because there is a lot to be done with respect to the work which is to be carried out by the Departments of Regional Economic Expansion, Urban Affairs, and Public Works.

One might ask who will be relocating when the department moves. I agree that many federal employees of the Department of Veterans Affairs will be unable to relocate. Some of them are two income families with either the husband or wife employed outside government, and so may choose not to move. There is, however, evidence that some federal employees look forward to becoming members of the Prince Edward Island community. It is one of the most beautiful islands and provinces in Canada. Some of the federal employees in the national capital region are orginally from the maritimes and, because they joined the federal governement, they had to leave Prince Edward Island and the other Atlantic provinces to work in Ottawa.

• (1750)

For years the opposition parties have harped on decentralization. They want to spread everything out. Now that we are doing it, they do not want it. They cannot make up their minds whether they are coming or going.

With the government's over-all decentralization program a variety of federal departments and agencies are being brought closer to the people of Canada. Why should all the agencies be in Ottawa? Surely the people of Canada deserve to have some of them located in their communities. More maritimers now find they can work for the federal government without having to live in Ottawa. This is one of the major aspects of government policy on decentralization.

There will be many who do not wish to or cannot relocate. My colleague behind me who is from New Brunswick knows of the employment problems they have in that area and we hope to alleviate the situation by locating a government department down there. A large number of positions will be filled by people living in the Atlantic region—

Mr. Herbert: Mr. Speaker, I rise on a point of order. The motion is for the production of papers. We are not criticizing decentralization per se.

Mr. Parent: My chubby friend over here says I do not know whether I am coming or going. I do not think that it is exactly what he wants to say. In response to my colleague from Vaudreuil (Mr. Herbert) who wanted papers produced, I hope to share with him some of the information we were able to get from our very able Minister of Veterans Affairs (Mr. Macdonald).

Most of the correspondence received by the Department of Veterans Affairs comes from veterans' organizations and primarily from the Royal Canadian Legion. There are three main areas of concern. First is the effect on our services to veterans and their dependants, and the loss of experienced and trained personnel who will choose not to relocate. This is a very important factor. Second is the department headquarters' relationship with the national offices of veterans' organizations in Ottawa. Third, is the over-all cost of relocation during a time of financial restraint. Mr. Speaker, I think someone is here for my colleague, the hon. member for Winnipeg North Centre (Mr. Knowles).

• (1800)

THE ROYAL ASSENT

[*English*]

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

Mr. Speaker, it is the desire of the Honourable Deputy to the Governor General that this honourable House attend him immediately in the Chamber of the honourable the Senate.

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

[*Translation*]

And being returned:

Mr. Speaker: Order. I have the honour to inform the House that the Honourable Deputy Governor General has been pleased to give, in Her Majesty's name, the royal assent to the following bills:

Bill C-43, an act to amend the Judges Act, to amend an act to amend the Judges Act and to amend certain other acts in respect of the reconstitution of the courts in New Brunswick, Alberta and Saskatchewan.—Chapter No. 11.

Bill C-2, an act to amend the Health Resources Fund Act.—Chapter No. 12.

Mr. Speaker: Order. It being past six o'clock, I do now leave the chair until eight o'clock this evening.

At 6.02 p.m. the House took recess.

• (2000)

AFTER RECESS

The House resumed at 8 p.m.

[Mr. Herbert.]

• (2010)

GOVERNMENT ORDERS

[*English*]

SHIPPING CONFERENCES EXEMPTION ACT, 1979

MEASURE TO EXEMPT CERTAIN PRACTICES FROM PROVISIONS OF COMBINES INVESTIGATION ACT

Hon. Monique Bégin (for the Minister of Transport) moved that Bill S-6, to exempt certain shipping conference practices from the provisions of the Combines Investigation Act, be read the second time and referred to the Standing Committee on Transport and Communications.

Mr. Charles Lapointe (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the main object of this bill is to exempt certain practices of shipping conferences from the provisions of the Combines Investigation Act. In anticipation of the expiry of legislation currently in force this year, the government has considered the question whether or not to continue to exempt conferences from the provision of the act. The government has concluded that conferences continue to serve the public interest in providing stable services for Canadian shippers at reasonable cost. This was also the almost unanimous view of the private sector as reflected in the responses to inquiries carried out last year by the Canadian Transport Commission in connection with the review of the effectiveness of the current legislation.

• (2020)

The main features of the present legislation have been retained in Bill S-6. There are, however, a number of significant changes designed, for the most part, to ensure the protection of Canadian interests, particularly Canada shippers who make use of conference services.

Bill S-6 was given very thorough examination in the other place. Its standing committee on transport and communications met on numerous occasions and received submissions from various groups representing conferences and shippers. While the carriers and shippers differed on a number of aspects of the bill, all were in favour of continuing to exempt conferences from the provisions of the Combines Investigation Act. Moreover, I think it became clear during the course of the discussions that Bill S-6 represents a reasonable compromise between the requirements of the conferences on the one hand and shippers on the other. Minor amendments designed to provide clarification of some clauses of the bill were adopted in the other place, and I can now recommend Bill S-6 to the House and request its early passage.

Mr. Don Mazankowski (Vegreville): Mr. Speaker, as has been pointed out by the parliamentary secretary, this bill has undergone fairly extensive study in the other place. I believe some nine meetings were held that some 20 witnesses appeared before the committee to present their views and submissions. The groups which appeared represented shippers, shipping conferences, and the government. As has been pointed out as

well, some seven amendments were brought forward in the other place, and I believe those amendments serve to improve the bill significantly.

It is important that I point out that this bill is a replacement for existing legislation which will expire at the end of this month. I believe that the clause of this bill relating to Section 23 of the National Transportation Act is worthy of consideration, and we will certainly have some questions to ask at the committee stage.

I will not attempt now to plow over the same ground gone over by members of the other place. Upon reviewing the hearings which took place in the Senate committee I think we will find that the bill has been studied exhaustively. There were some good submissions. There are some pros and cons with regard to this bill, but on balance I believe that what we have here today is supportable.

We certainly will support the passage of this bill. We will not impede its passage other than to seek some answers with respect to some questions arising out of the application of section 23 of the National Transportation Act. We will also have questions with respect to regulations which can be made by order in council. We would like to be assured that sufficient safeguards are provided so that regulations will not be unduly rigorous or unduly generous. We would like to see this bill move forward. We are prepared to see that it passes through all stages at this time. If it is the general wish that it proceed to committee, that is fine as well. We can certainly move on it expeditiously.

There is some other important legislation coming up having to do with transportation of dangerous goods. We think that legislation deserves early attention as well as other transportation legislation.

It is not our intention to impede the progress of this bill, and we are prepared to deal with it either in committee of the whole or in the standing committee, whichever the House decides.

Mr. Fonse Faour (Humber-St. George's-St. Barbe): Mr. Speaker, as has been mentioned already, Bill S-6 received quite an exhaustive review in the other place. As has also been mentioned, basically the bill would extend the provisions of legislation enacted in the early 1970s which will expire at the end of this month. The bill would provide exemptions with regard to certain practices of shipping conferences operating in Canada and outside Canada. The exemptions to which I refer are in relation to the provisions of the Combines Investigation Act under several different circumstances.

In general terms I suspect that this bill is probably essential at this time in the sense that shipping conferences are operating now. We deal in an international shipping situation, and it would be difficult for Canada to change the system without some massive restructuring of our own shipping system. However, that does not alter the fact that the whole principle of encouraging this type of monopolistic tendency in the shipping industry is not good for Canada, the Canadian consumer or the Canadian shipping industry, what little shipping industry there is left in Canada. This debate opens up the broad question of whether conferences in this sense are good or bad for shipping, the shipping industry, and the economy of Canada.

Shipping conferences are associations of shipping lines. Basically, they are cartels. Bill S-6 would extend the legality of the cartels which have been operating in Canada for some time now. The operations of these conferences in Canada would be illegal except for this bill and, of course, its predecessor act.

It is necessary to look at the consequences of this type of activity in the shipping industry. Because of the operation of shipping conferences, shipping rates are not set by the market forces of supply and demand in general terms but end up being set on the basis of what the market will bear. This means that in Canada, since there is no competition, or very little, in international shipping, we have higher rates and lower rates, depending on the type of goods shipped. There is a tendency toward price discrimination in Canadian shipping. There are higher rates for high value and low weight goods and lower rates for low value and high weight goods. This acts to the detriment of Canadian consumers.

A justification for restraint upon competition in the shipping industry, other than the fact that this is the way it has always been and this is the way the world runs in general terms, is that it maintains the health of merchant marines. It also maintains regular and frequent cargo services and creates—it is alleged—stable rates in the system.

The first of these justifications just does not apply to Canada because we do not have a merchant marine. It has been the policy of this government and of previous governments to allow our merchant marine to deteriorate to the point where it does not exist any more.

● (2030)

The operation of conferences may give us stable rates in the shipping industry, but the prices, while they may be stable, are still too high. A study, commissioned by the Department of Consumer and Corporate Affairs, by the institute for policy analysis at the University of Toronto came to the conclusion that the high prices in this area are an excessive price to pay for any alleged advantages of a healthy liner trade. We do not even have one in Canada right now and we still have to pay the price. That institute and that study, which was released not too long ago, recommend change and reform in the system immediately. This bill continues the recent trends in world shipping of decreasing and lessening competition in the industry, which has not been good for Canada mainly because we do not have an industry operating in the field.

Generally speaking, conferences augment their power and exercise their power through discriminatory pricing, which has tended to favour exports over imports in Canada recently. This may be good in terms of balance of payment, but in the long run leads to certain misallocation of resources and a high cost to consumers. Also, they operate by means of patronage agreements to force shippers to use only certain lines or routes. The competition between conferences even is limited. There

are some 50 conferences operating out of Canada on international routes, but on essentially heavily used routes like the north Atlantic there is such a great overlapping membership among these several conferences that there is very little effective competition among them.

Other countries have attempted to control the power of these conferences in various ways, through regulation and so on, where the conferences' activities are most obviously in conflict with the public interest, but in general the effects of regulation have been negligible in terms of positive effects upon the economic welfare. So with the experience of other countries as a guide, it seems pointless for Canada to attempt regulation of conferences in conjunction with this type of bill in order to minimize their most objectionable points. But then neither should we make their activities legal when our whole economic tradition dictates that we should be doing just the opposite, that is, increasing competition.

Canada has no merchant marine, as I mentioned before, and in two ways this would, or should, dictate that we not allow conferences such leeway in our economy. Without a merchant marine we have no leverage in the shipping industry to control the adverse effect of the conference operations. As well, there is no benefit to Canada as a result of the high rates which result from conferences. High rates in another country might encourage the development or continuance of a merchant marine and its healthy operation; in Canada that factor does not exist because we do not have a merchant marine.

However, there is a problem, and that is why I suggest at this time that, in spite of my opposition to the bill, it might be difficult to make conferences totally subject to the Combines Investigation Act, because most conferences or most lines operating in Canada also belong to conferences operating out of the United States and it would be very difficult to prove collusion or some other action contrary to the Combines Investigation Act, where, in most cases, it would only be a passive agreement between conferences or member lines of conferences. But in spite of those difficulties we should not be encouraging such practices as price discrimination, and perhaps we could specifically prohibit them if we did not allow the legalization of the conferences in this country.

As I mentioned before, one of the main reasons for this bill right now—and the problem I have with this bill—is that we do not have a merchant marine. If Canada had a viable merchant marine we could effectively counter the power of conferences on the international scene, and we could effectively gain from the rate structures and the frameworks that are set up by conferences internationally. It is astounding to me that the Canadian government would make a conscious decision as far back as the early 1950s not to foster a merchant marine. At one time, as hon. members are aware, Canada was one of the top countries in the world in the size and power of its merchant marine. Now our sea-going traffic is limited mainly to lake traffic on the Great Lakes in central Canada. For a country that relies as heavily on international trade as does Canada, we should have some control over the way we get our goods to markets and over the way we bring goods from overseas. The whole problem of shipping conferences is that they operate with little if any direction or control by Canada, and because of the monopolistic tendencies of the conference operations they do us harm economically.

[Mr. Faour.]

Not only do we not have a merchant marine but we do not require Canadian companies such as CP, which receive many dollars in subsidies and tax referrals, to register their ships in Canada like a good corporate citizen should. The benefits of bringing home these vessels, which are now flying flags of convenience like Bermuda but are beneficially owned in Canada, would be great. It would give us a merchant marine under Canadian control to counter the power of the conferences internationally. It would provide jobs and employment at home rather than in foreign countries which fly flags of convenience, it would subject the ships to greater Canadian regulation in a great many fields, including working conditions, and finally, it would benefit consumers by providing a competitive Canadian presence in world shipping.

This bill would not be perceived to be so necessary or so objectionable if Canada had its own merchant marine, and I suggest it is incumbent on this government to begin developing one now rather than pursue a conscious policy which is going in the opposite direction. Also, I suggest that this government should encourage, and perhaps require companies like CP, Federal Commerce and Irving Oil, to register their ships in Canada, thereby employing Canadians and making them subject to Canadian law. It is important to bring some democracy and competition back to the market place in the shipping industry so that Canadian workers and consumers will benefit.

As I mentioned at the beginning of my remarks, at this time, without some drastic reorganization of the Canadian shipping industry structure, it is probably a little impractical for the government not to pass this bill at present. But in principle we are opposed to it because of the reasons I have outlined, that it decreases and restrains competition in the industry, thereby bringing less benefits and greater costs to Canadian consumers, Canadian workers, and the Canadian industry.

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Labour): Mr. Speaker, the main object of this bill is to exempt certain practices of the shipping conferences from the provisions of the Combines Investigation Act.

Let me provide some background, Mr. Speaker. Shipping conferences are associations or groups of shipping lines serving the same route or area that act together to set rates and other conditions under which they will carry goods. These associations or conferences exist in what is known as liner sectors, that is, among companies operating between fixed points on a regularly scheduled basis. Moreover, conferences exist primarily in the carriage of general cargo rather than in the dry or wet bulk trade, such as the shipment of wheat or oil. Conferences carry about 10 per cent of the Canadian exports in tonnage terms but considerably more in dollar terms since much of their business consists of higher value goods.

There are about 50 conferences serving Canada at the present time, each consisting of two or more members and

each serving a particular trade, such as exports from Canada, the United Kingdom, Scandinavia or Japan, with separate conferences covering the inbound trade.

● (2040)

The shipping lines making up any given conference typically adopt an agreement which governs their membership voting procedures and other aspects of their relationship. They maintain a permanent office or offices, and meet from time to time to agree on rates for various commodities, or to discuss other matters in relation to the operation of the conferences. While conference members normally agree on rates, at least for most commodities, typically they also compete with each other for business on the basis of such factors as service or delivery times. In many trades they also are in competition with other lines that are not members of that conference, or for certain high value products with the airlines.

The conference system is not new, nor is it unique to Canada. Liner operators have been operating in conferences for more than 100 years, and are active in most parts of the world. Since their origins in the 1870s, conferences have been subject to analysis and discussion, both internationally and in Canada. In this country, for example, there have been several investigations into conference activities, the first of which was in 1913. The most extensive inquiry was that carried out by the Restrictive Trade Practices Commission which concluded, in a 1965 report, that conferences operate as cartels, contrary to the provisions of the Combines Investigation Act, but that the public interest would not be served by the excessive rate and service instability that might result if shipping conferences were not permitted to exist. It was the report of the Restrictive Trade Practices Commission that led to the Shipping Conferences Exemption Act, which came into force on April 1, 1971, and which will expire on March 31 this year.

The act that is currently in effect sets out a number of conference practices, such as the common setting of rates, that are exempted from the Combines Investigation Act. At the same time it sets out other practices, such as the use of deferred rebates, that are not exempted from the act, or in other words, practices that are not permitted. The act also requires conferences to file copies of conference agreements, memberships, tariffs, etc. with the Canadian Transport Commission so that they are accessible to the public. This is the framework of the legislation currently in force, allowing conferences to operate in Canadian trades subject to clearly established ground rules.

In anticipation of the expiry of legislation currently in force this year, the government has considered the question of whether or not to continue to exempt conferences from the provisions of the Combines Investigation Act. The government has concluded that conferences continue to serve the public interest, in providing stable services for Canadian shippers at reasonable cost. This also was the almost unanimous view of the private sector, as reflected in responses to an inquiry carried out last year by the Canadian Transport Commission in connection with a review of the effectiveness of the current legislation.

The main features of the present legislation have been retained in Bill S-6. There are, however, a number of significant changes, designed for the most part to ensure the protection of Canadian interests, particularly Canadian shippers who make use of conference services.

Clause 8, which spells out filing requirements, ensures that changes to tariffs and other conference documents will be accessible to shippers and other interested groups on the date on which they come into effect, rather than 30 days after the date of their adoption, as in the current legislation.

Clauses 13 and 14 require conference members to make copies of all conference documents available for inspection or purchase at an office or agency in the region of Canada where they operate, and to make copies of current tariffs available for inspection at all members' principal offices or agencies in Canada. This would provide shippers with easier access to relevant information since at the present time the conferences are required only to file this information with the Canadian Transport Commission.

Clause 15 requires members of conferences operating from Canada to meet with designated shipper groups, when reasonably requested to do so, and to provide the shipper group with information sufficient for the satisfactory conduct of the meeting. This section is designed to ensure that such conferences meet with Canadian shippers to discuss problems of mutual interest and to ensure that shippers are provided with information on which they can judge conference actions, such as proposed rate increases.

While it is hoped that any additional information can be obtained voluntarily, clause 16 empowers the governor in council to make regulations requiring members of a conference to provide information necessary to enable the commission effectively to supervise their activities. The government appreciates the sensitivity of this question of information, but is of the view that clause 16 contains adequate and appropriate safeguards to protect the legitimate interests of various members.

Finally, Mr. Speaker, clause 23 provides for the legislation to expire after five years, with provision for extension by proclamation for periods not exceeding five years.

Bill S-6 was given very thorough examination in the other place. Its standing committee on transport and communications met on numerous occasions, and received submissions from various groups representing conferences and shippers. While the carriers and shippers differed on a number of aspects of the bill, all were in favour of continuing to exempt conferences from the provisions of the Combines Investigation Act. Moreover, I think it became clear during the course of the discussion that Bill S-6 represents a reasonable compromise between the requirements of the conferences on the one hand, and of the shippers on the other.

Minor amendments designed to provide clarification of some clauses of the bill were adopted in the other place, and I think

that following the contributions we have had from the opposition and from this side we could probably now go into the committee of the whole on the bill.

The Acting Speaker (Mr. Ethier): Does the House consent that we change the motion, referring the bill to the committee of the whole?

Mr. Mazankowski: As I pointed out earlier on behalf of our party, Mr. Speaker, we are prepared to consider this piece of legislation in the committee of the whole.

Mr. Knowles (Winnipeg North Centre): Yes, Mr. Speaker, we are prepared to agree to the request to deal with this bill in committee of the whole.

[*Translation*]

Mr. Beaudoin: We agree, Mr. Speaker.

[*English*]

The Acting Speaker (Mr. Ethier): The question is on the motion that Bill S-6, to exempt certain shipping conference practices from the provisions of the Combines Investigation Act be now read a second time and, by unanimous consent, referred to the committee of the whole. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Ethier in the chair.

On Clause 2—*Definitions*

Mr. Crosby: Mr. Chairman, I should like to direct a few questions to the parliamentary secretary in connection with clause 2 of the bill. My first question has reference to the commission, meaning the Canadian Transport Commission. I notice that later in the bill there is reference to investigations at the request of the Minister of Consumer and Corporate Affairs by the Restrictive Trade Practices Commission. This leads me to wonder why there is a necessity for involving another commission in the processes under the legislation. I would ask the parliamentary secretary how many references were made under the existing legislation to the Restrictive Trade Practices Commission, and whether any consideration has been given to having investigations of the kind in clause 12 of Bill S-6 carried out by the Canadian Transport Commission?

[*Translation*]

Mr. Lapointe: Mr. Chairman, I must honestly inform hon. members that I am not very familiar with this bill and in view of the specific nature of the question the hon. member has just asked, I would ask to be allowed to reserve it until such time as, when departmental officials arrive, I can reply in more specific terms.

[Mr. Dawson.]

• (2050)

[*English*]

Mr. Crosby: Mr. Chairman, I will certainly grant the indulgence and move on to the next provision of clause 2 of the bill which is the definition of "goods". In the parliamentary secretary's judgment and the judgment of the people who have been concerned with the administration of the act in the past, is the definition of goods intended to cover all and every kind and class of goods that might be expected to be carried by an ocean carrier, or is there some element of restriction? The words used, "articles" and "commodities", might be taken in some circumstances to be restricted in meaning, as opposed to being broad and including every class and kind of chattels and property. Is there any intention to exclude some goods from the definition?

Mr. Lapointe: The definition of the word "goods" in clause 2 of this act reads:

"goods" means any articles or commodities that may be the subject of trade or commerce.

In my opinion there is no restriction.

Mr. Crosby: Mr. Chairman, I understand from the parliamentary secretary that the words used are intended to be as broad as possible and not intended to exclude any particular class or kinds of articles or materials of any sort. It might be argued that lumber or something of that sort would not be regarded as an article or commodity if it is in its very natural form and not in any way processed. The term commodities normally implies a processing, and the term article refers to articles produced by man. I query whether lumber in the raw form would be included in the definition of goods. In specific terms I would ask whether natural material like lumber, material in a relatively raw form, might be included?

Mr. Lapointe: According to the information I have been able to get in the last few seconds, the commodity referred to by the hon. member is included. On the other hand, bulk such as wheat is not included, and liquid such as petroleum is not included. These materials are excluded from the word "goods" as it is described in this bill.

Mr. Crosby: Mr. Chairman, can the parliamentary secretary give us any explanation beyond the mere words of the bill in terms of whether or not there is some intention to exclude natural materials? For example, are petroleum in its natural state or even in its manufactured state and wheat excluded on the grounds that they are natural products?

[*Translation*]

Mr. Lapointe: Mr. Chairman, I think I will be in a position to provide the hon. member with more information a bit later.

[*English*]

Mr. Mazankowski: Mr. Chairman, I would ask the parliamentary secretary to elaborate on the definition of "patronage contract". To what extent and how broad is the use of patron-

age contract in relation to and in respect of the conferences that we are talking about here?

[*Translation*]

Mr. Lapointe: Mr. Chairman, if I refer to the text of the bill, I find that "patronage contract" is fairly well defined; may I be allowed to quote the fifth paragraph of clause 2:

"patronage contract" means a contract between a shipper of goods and members of a shipping conference whereby in return for certain advantages the shipper agrees to offer to members of the conference for transportation by them all goods, all goods of certain classes or a fixed proportion of all goods or of all goods of certain classes shipped by water by that shipper to places served by members of that conference;

[*English*]

Mr. Mazankowski: Mr. Chairman, could the parliamentary secretary indicate to the committee just how widespread the use of patronage contracts is in relationship to the shipping conferences? That was my point. Is it predominant, is it very widespread, or is it on a minimal basis?

[*Translation*]

Mr. Lapointe: Mr. Chairman, once again, I must admit my ignorance of such a specific point. But I am told that the officials of the department will be here in a few moments, at which time I can give a more specific answer.

[*English*]

Mr. Faour: Mr. Chairman, it is my understanding, according to the deliberations on clause 2, that questioning can be fairly general. I would like to address a question to the parliamentary secretary concerning the thrust of this bill and what it is to accomplish in so far as benefits for Canada are concerned.

In my remarks earlier this evening I mentioned, in quoting from the summary of a study prepared for the Department of Consumer and Corporate Affairs by the Institute for Policy Analysis of the University of Toronto, that restraints on competition, such as are included in this bill, are usually justified by national governments. For example, one ground is to maintain and strengthen the financial health of the national merchant marine. Other grounds are that there is a virtue to regular and frequent cargo services, that restraints on competition, such as this bill will allow, will encourage regular and frequent cargo services and also stable freight rates.

The criticism on the other hand is that the rates, while stable, are too high to justify this sort of restraint on competition. Usually the only benefits that accrue to a national economy are when there are possible benefits that may be gained by a merchant marine. Canada does not have a merchant marine. What sort of benefits in general terms—I realize that it is difficult to be specific—does the operation of conferences such as this have for Canada?

[*Translation*]

Mr. Lapointe: Mr. Chairman, to my mind, the advantage, in general terms, is rather obvious, and protecting shipping conferences allows Canadian shippers or users to bank on a service that is regular and stable, and also on stable tariffs. A while ago, in the course of his remarks, the hon. member criticized the Canadian government for not setting up a merchant marine. I should like to tell him that this may not be a substitute for a merchant marine but, on the other hand, protecting shipping conferences will give Canadian ship owners a sheltered market, up to a point, and allow them to set up business for operating a ship on a profitable basis.

[*English*]

Mr. Faour: Mr. Chairman, I recognize that the operation of conferences is helped by a bill such as this one which exempts their operation from the provisions of the Combines Investigation Act. I can also see perhaps the advantages of stable prices, but there have been criticisms and, in particular, the study by Professor Bryan Kotowitz of the University of Toronto which was commissioned by the Department of Consumer and Corporate Affairs. The study finds that the cost to the Canadian consumer is greater than any benefits which may be received by an increase in the stability of the shipping rates structure. I wonder if any studies have been made to determine what the costs are in higher rates to shippers, and hence the Canadian consumer, as opposed to how unstable the shipping industry would be if the conferences were not allowed to operate in Canada?

• (2100)

[*Translation*]

Mr. Lapointe: Mr. Chairman, I would like to remind the hon. member that in the study he referred to, they do not recommend the abolition of shipping conferences. Furthermore, on the second point he raised, namely, whether studies were made to determine the cost of that shipping conference system to the consumers, I would say to the hon. member that there were no special studies on that subject. However, I would like to advise him that those shipping conferences enable us precisely to avoid, both for the Canadian consumer and for the shipper who uses that system, unduly great fluctuations such as in oil shipping, for example.

[*English*]

Mr. Crosby: Mr. Chairman, now that the official has arrived to assist the parliamentary secretary, I should like to come back to an earlier question with respect to the definition of "commission." I asked the parliamentary secretary how many investigations had been held in the past under the provisions of the old statute. I should like to know at the same time whether, on the basis of past experience, there has been any need to involve another commission as is referred to in clause 12 of the bill, in terms of conducting these investigations and of the kind that are described there, or whether they might be conducted by the Canadian Transport Commission.

Mr. Lapointe: Mr. Chairman, clause 12 is in this bill only to provide an additional avenue or means to protect shippers and consumers in this matter. It has not been used so far to my knowledge, but I think it is important for Canadians to have this additional protection over and above the Canadian Transport Commission.

Mr. Crosby: Mr. Chairman, as the parliamentary secretary may know, the investigations provided for in clause 12 are at the initiative of the Minister of Consumer and Corporate Affairs. I assume if there have been no such investigations in the past, it was because the minister did not see fit to order any. I want to confirm that that is the case, that in the past the minister has not seen fit to order any investigations.

Mr. Lapointe: As far as I know, Mr. Chairman, the Minister of Consumer and Corporate Affairs has not ordered any investigations under these provisions.

M. Faour: Mr. Chairman, I have one more question on clause 2 in the general vein of those I put to the parliamentary secretary earlier. I should like to read a brief extract from the Department of Transport "Shipping Policy for Canada", on page 3, as follows:

Canada's shipping policy to date rests on the belief that in the long run a freely competitive shipping environment will prove more beneficial to her interests than measures to develop and/or subsidize a national deep-sea fleet.

That seems to imply that competition is more important than a merchant marine. If competition is so important, I wonder why it is necessary in this bill to put restraints on it. This is a serious question and it may be difficult to answer, but what is the point of decreasing competition in the industry when the thrust of economic policy in Canada has been to encourage competition for the benefits that it brings?

[*Translation*]

Mr. Lapointe: Mr. Chairman, the principle of shipping conferences is recognized internationally, and it enables those who enter that contract to make the large investments which are necessary to buy the equipment, the specialized vessels or the other things which are needed. Of course, by accepting the principle of those conferences you have some restriction as far as competition is concerned, but it does not prevent us from encouraging competition, and there is the fact that other ships or other means of transportation, such as air transport, can compete with those shipping conferences.

[*English*]

Mr. Mazankowski: Mr. Chairman, my question arises out of comments made by my hon. friend to my left and the response he received. We talk about the advantages, and an example comes to mind regarding the movement of grain out of eastern Canada. Would the vessels carrying the bulk of Canada's grain be a party to some form of shipping conference? Is there any advantage in this regard? I see the parliamentary secretary shaking his head in the negative. If they are not associated with the conferences, is there any particular reason for that?

Mr. Lapointe: Mr. Chairman, the conferences are there to provide the regular, scheduled service at specific points, not for bulk cargos. Bulk cargos are taken care of by chartered companies that have charter ships, not conference ships.

Mr. Mazankowski: Would that also apply to commodities like coal and crude oil?

Mr. Lapointe: In general, Mr. Chairman, bulk cargo is not carried by conference ships.

Mr. Peters: Mr. Chairman, I should like to put a question to the parliamentary secretary regarding the coastal trade, and the passage of bills within the last year in which our avowed interest was to establish the use of Canadian vessels between one Canadian point and the other. Will the conferences set prices? Will it be detrimental to the possibility of Canada establishing coastal trade for deep sea fishing? We are making arrangements for a lot of other countries but we are not making arrangements for Canada. I believe we have less than a dozen ships that will be affected by any of these conferences. I would probably be exaggerating if I said we had a dozen deep sea ships under Canadian ownership and Canadian registry. By making this kind of an arrangement will we not eliminate the possibility of developing our own fleet at some time? As I understand it, we would be subject to similar international regulations as those under which the airlines operate. We cannot do things that we do not allow someone else to do.

If we are to have deep sea fishing we will have to do many other things so that coal can be handled in Canadian bottoms, or wheat or other things. If we lock ourselves into this conference arrangement, are we not in effect making it almost impossible for us to do anything about getting into shipping if the government ever desires to subsidize the industry? Subsidization is an arrangement a country may make to give itself an international advantage in using its own bottoms.

● (2110)

[*Translation*]

Mr. Lapointe: Mr. Chairman, since shipping within those conferences applies only or mainly to international transport, it does not conflict with coastal trade or coastal shipping. On the other hand, some Canadian companies, such as CP Shipping, belong to such conferences which enable Canadian companies to integrate into that framework and allow them to do some international shipping. I do not really see the point which the hon. member wants to make.

[*English*]

Mr. Peters: Mr. Chairman, the point is fairly simple. We have no merchant navy. At one time Canada was among the top five nations of the world with a merchant navy. This merchant navy in the main was sold to Mr. Onassis in Greece. From listening to members of parliament over the past five years I am sure that members on all sides of the House feel

that it is advantageous for Canada, sooner or later, to get into the shipping field again, and that Canada should not be subjected to other countries shipping our produce.

If we allow international conferences which set international tariffs, what kind of a position will we be in after signing such an arrangement or international convention? I am well aware there may be some advantages in having these conferences and that sometimes the rates are beneficial. I think Canada is committed, more or less, to the idea of developing a merchant navy. Canada has one of the largest coastlines in the world. It has a large export market for raw and bulk materials. I am aware of what happened with respect to the coastal trade which does not necessarily apply in this case, but we do not have too many ships involved there either.

Someone indicated that there were reciprocal trade agreements signed with countries that do make available certain things which are not necessarily available in this agreement. I say on behalf of the Canadian public that I am sure we would not want to lock into anything on a short-term basis that may be to the advantage of some of the trading blocks in our own society, but is a situation which will not allow us to build a merchant navy. Over the next few years, unless we can fly our Canadian flag around the world, we will not be the trading nation most of us think we are.

[*Translation*]

Mr. Lapointe: Mr. Chairman, the bill requires no ratification of international agreement. It only provides a legislative framework enabling shipping conferences to operate in Canada. In my opinion, there is no relation between the creation of a merchant marine and shipping conferences since most countries that already have a merchant marine also belong to those shipping conferences.

[*English*]

Mr. Corbett: Mr. Chairman, the parliamentary secretary made reference a short time ago to some of the commodities that might be excluded from this particular bill, for example, wheat, oil, coal, and things of that nature. Is he in a position to inform us what other products or commodities might generally be excluded from this type of a bill?

[*Translation*]

Mr. Lapointe: Mr. Chairman, properly speaking, there is no exclusion of certain goods.

[*English*]

Those conferences will carry mainly, and I think I can safely say, only general cargo composed of manufactured goods and liquids which are carried for the most part in containers. It is related to the size of the ship, so they do not carry bulk.

Mr. Corbett: Mr. Chairman, it appears to be a rather loose framework for dealing with the various commodities. Can the parliamentary secretary give the House any indication of how the Canadian Transport Commission, which I would assume is the governing body and the one making the decision, will decide which will be exempt and which will not? Could he tell us what guidelines will be taken to determine which commodities will or will not be involved? For instance, will there be dollar values put on, tonnage, or things of this nature?

Mr. Lapointe: No, Mr. Chairman.

Mr. Corbett: Mr. Chairman, it is my understanding of this particular set-up that there is an open class conference and a closed conference. Apparently the United States has been involved in an open type of conference and the Canadian conference is presently closed. From the information I have, the United States is now moving toward the concept of the closed conference. Can the parliamentary secretary indicate what the future direction of the Canadian conference might be in this regard? If it is toward a continuing closed conference, will the parliamentary secretary indicate what procedures a new shipper might have to go through in order to be accepted by the Canadian Transport Commission?

● (2120)

Mr. Lapointe: Mr. Chairman, the hon. member is correct in saying that in Canada we operate mainly under a system of closed conferences. Any shipper in Canada wanting to join must apply to the conference and the membership of that conference will decide whether or not to accept the application.

With regard to what is happening in the United States, the shipping policy there is now under review. At this stage it is impossible for me to say which way it will go. I might refer the hon. member to the proceedings of the Senate transport committee where this question was dealt with thoroughly.

Mr. Corbett: Mr. Chairman, I apologize if I am digging up old ground, but I am not very familiar with the proceedings that took place in the Senate. For those who might be in the same position, perhaps the parliamentary secretary can give some indication of the guidelines for acceptance of a new shipper into the closed policy conference set-up that the Canadian Transport Commission is apparently working toward.

Mr. Lapointe: Mr. Chairman, if a shipper wants to become a member of the conference, as I told the hon. member, he must apply to the conference. Membership is left to the members of the conference. There are no criteria devised by the CTC. It does not enter into it unless there is a complaint to that body to inquire into a request which has not been accepted.

Mr. Corbett: Mr. Chairman, I just might make a suggestion. As governments are involved in the parliamentary process of this country, it might be a thought for legislators to have some input into the exclusion or intrusion, as the case may be, of new shippers or at least prospective new shippers into the business of the Canadian Transport Commission.

I would like to expound somewhat on the comments of my friend to my left about the establishment of a merchant marine which is an admirable direction for the country to be taking. I heartily endorse it. Can the parliamentary secretary

indicate whether his department has had negotiations with the union involved, the Seafarer's International Union, which played a very important role in the demise of the Canadian merchant marine in this country several years ago?

[*Translation*]

Mr. Lapointe: Mr. Chairman, I think that possible negotiations or contacts with the International Seafarer's Union bear little relationship to the bill before us. As for the more general issue of a merchant marine for Canada, we have had many opportunities to discuss this in the House. As I said, Mr. Speaker, I do not think there is any relationship between this question and the proposed legislation.

[*English*]

Mr. Crosby: Mr. Chairman, I wish to deal with one aspect of the points raised by an hon. member in questions to the parliamentary secretary with regard to the coastal shipping trade. I appreciate that the bill relates to and deals with international shipping. The definition of transportation of goods makes that clear. There is an area of coastal shipping trade that is both intra-Canada and international in its make-up. By way of example, a ship can travel from Halifax, Nova Scotia, to St. John's, Newfoundland, and on to the eastern seaboard of the United States. I just wonder about the effect of excluding this kind of transportation route from the operation of the bill and presumably from the operation of the shipping conference. Is there a benefit to be derived from including in relation to the coastal shipping trade that portion of the transportation that is intra-Canada, that is, within Canadian points such as Halifax, Nova Scotia, and St. John's, Newfoundland?

[*Translation*]

Mr. Lapointe: Mr. Chairman, I do not clearly see the purpose or the basis of the hon. member's question. I do not quite understand what he is trying to get at. In so far as coastal shipping is concerned, it is clear, as I mentioned earlier, that it is protected for Canadian ships. I do not see what he is driving at.

[*English*]

Mr. Crosby: Mr. Chairman, I would not have thought it was obscure. Perhaps the parliamentary secretary is not familiar with the geography involved. It is convenient for ships to travel from Halifax, Nova Scotia, to St. John's, Newfoundland, and on to the eastern seaboard of the United States. That kind of shipping route would involve an international aspect as well as an internal or domestic aspect. As I understand the provisions of the bill and the designation of the transportation of goods, such a transportation route would be excluded from the operation and the protective aspect of the bill. Having regard to the fact that the bill is intended to benefit Canadians by curtailing, in some respects, the effect of the Combines Investigation Act, I am asking whether this is really of benefit.

[Mr. Corbett.]

• (2130)

[*Translation*]

Mr. Lapointe: Mr. Chairman, perhaps I can ask the hon. member to give me some clarification on the substance of his question. He could perhaps give me a factual example, and I could give him a clearer answer. Does he mean for example, that transport between Halifax and St. John's should be restricted to vessels flying a Canadian flag or would he include those vessels flying a Canadian flag within those conferences?

[*English*]

Mr. Crosby: I thought I had given the parliamentary secretary an example. As I understand it, a ship which travels between Halifax, Nova Scotia, and St. John's, Newfoundland, and then goes on to Boston before returning to Halifax to continue that circular pattern is not included in this definition of the transportation of goods and does not get the benefit of exclusion. Is that correct?

[*Translation*]

Mr. Lapointe: Mr. Chairman, if the definition of transportation of goods was included in clause 2, it is precisely to take care of the hon. member's concerns. Those goods are therefore included within those conferences even if they travel from one point X through Y, in another country, to come back to Z, in Canada.

[*English*]

Mr. Crosby: It seems to me the parliamentary secretary has not given my question the consideration for which I was hoping. Can any consideration be given to permitting the inclusion under the definition of routes which are partly within Canada and partly outside, such as the one I have described? The answer, apparently, is either that the hon. gentleman does not know or else he is not interested.

[*Translation*]

Mr. Lapointe: I think, Mr. Chairman, that if the hon. member had understood my previous answer, he could have concluded that I said yes to his question. Now, I would not want to give here a legal opinion on that subject.

[*English*]

Clause agreed to.

Clause 3 agreed to.

On clause 4—*Investigation*

Mr. Mazankowski: Mr. Chairman, I have had some experience with section 23 of the National Transportation Act, particularly as it relates to the establishment of a prima facie case of circumstances detrimental to the public interest. I wonder whether the parliamentary secretary could obtain from his officials a brief explanation of the relationship between clause 4 and section 23 of the act? Under section 23 the difficulty in establishing a prima facie case has been one of the inherent obstacles to making that provision workable.

I recall a case under section 23 involving freight rates as applied to the movement of processed rapeseed; it took well over three years before this issue was resolved by the CTC. The bottleneck was the difficulty in establishing a prima facie case of a circumstance deemed to be prejudicial to the public interest. Has that section been streamlined sufficiently to make the clause before us workable? What provisions existed in the previous legislation for protection against rate fixing or tariffs which may have been prejudicial to the public interest? Was a clause of the kind we are considering necessary at that time? Have a series of problems arisen because existing legislation was not able to deal effectively with the application of rates which were clearly prejudicial to the public interest?

[*Translation*]

Mr. Lapointe: Mr. Chairman, I appreciate the hon. member's concerns. I know that the operation or the use of section 23 of the National Transportation Act, as it is now, is difficult.

I suggest that is why Bill C-20 has amended the structure of this section to facilitate the recourse to this appeal procedure. Why then is it mentioned in clause 4 of the bill? There was no specific reference in the previous bill. It was made part of Bill S-6 to remind shipowners and conference members that this appeal procedure exists in the National Transportation Act.

● (2140)

[*English*]

Mr. Mazankowski: Mr. Chairman, am I to understand that this clause is inserted in anticipation of modifications to section 23 in a new National Transportation Act? May I assume that the parliamentary secretary is optimistic that those will be passed in sufficient time to be utilized in conjunction with this measure? That section of the existing act would otherwise be made unworkable.

I wonder as well what options are open to the CTC if in fact it found a prima facie case of tariff fixing or rate fixing which was indeed prejudicial. What would the commission do? Would it order a correction? What sanctions are available to redress a problem in the event that the finding of the commission is that a certain practice is prejudicial?

[*Translation*]

Mr. Lapointe: Mr. Chairman, I do not have with me the text of the National Transportation Act and it would have to find out what is provided for under section 24. As far as I can remember, the Canadian Transport Commission is empowered to order corrective measures if it feels a situation is prejudicial to shippers, and to recommend to the governor in council to take steps to correct such a situation. As for Bill C-20, I am sure that if the hon. member for Vegreville and I had had both to look after it, this bill would have been adopted long ago.

[*English*]

Mr. Mazankowski: Mr. Chairman, would that mean that the CTC would have the power to disband a conference?

Mr. Lapointe: Mr. Chairman, what is contemplated is that the CTC could order a specific conference to correct a situation which has been found to be prejudicial.

Mr. Mazankowski: Mr. Chairman, in my earlier question I asked whether any specific examples under the existing legislation were cited in a request to have this kind of safeguard inserted. Were there examples of customers who had complaints about the impact of conferences acting contrary to the public interest? Is that why this clause is being inserted?

[*Translation*]

Mr. Lapointe: Mr. Chairman, there has been no specific request made to the Canadian Transport Commission or any other organization for an investigation to be made or for a situation to be corrected. I think however that clause 4 was made part of this bill to provide additional protection to shippers, and remind them that this appeal procedure exists and that they may avail themselves of it.

[*English*]

The Chairman: Shall clause 4 carry?

Some hon. Members: Agreed.

Clause 4 agreed to.

Clause 5 agreed to.

On clause 6—*Limitation*

Mr. Peters: Mr. Chairman, clause 5 refers to those who deal with a particular conference, and clause 6 refers to those who do not. There are five or six reasons why there might be a dispute. When there is a dispute, where can appeals be directed? Are they to be directed to the appeal board provided for in Section 23 of the act and the Canadian Transport Commission as well, or are we setting up some other agency? It seems to me that any appeal under clause 6 would have to be made right away, or it really would not be an appeal. Such an appeal would not be long-term litigation but simply a request for an answer.

Mr. Lapointe: Mr. Chairman, clause 6 lists only those practices of a conference which would not be allowed under the present act and which still come under the Combines Investigation Act.

Mr. Peters: Mr. Chairman, if clause 6 applies to practices referred to in the Combines Investigation Act, where can an appeal be taken? For instance, if a vessel is used for the purpose of preventing or lessening unduly competition in the transportation of goods by an ocean carrier which is not a party to such a contract, agreement or arrangement, where can an appeal be taken?

Mr. Lapointe: Mr. Chairman, a third party could appeal to the Restrictive Trade Practices Commission or to the Canadian Transport Commission under section 4.

The Chairman: Shall clause 6 carry?

Clause 6 agreed to.

Clauses 7 to 11 inclusive agreed to.

On clause 12—*Inquiry and report by Director*

Mr. Crosby: Mr. Chairman, I would like to ask further questions of the parliamentary secretary in relation to matters raised previously regarding the references by the Minister of Consumer and Corporate Affairs to the Restrictive Trade Practices Commission. I understand that in the past there have not been any references by the minister, and I would like the parliamentary secretary to indicate whether in the course of the trade carried on by the various conferences there have been complaints made by particular shipping conferences about competition from other shipping conferences, or anything of that nature. More specifically, have complaints been recorded or have requests about unfair competition been made to either the Minister of Consumer and Corporate Affairs or to the Canadian Transport Commission?

• (2150)

Mr. Lapointe: Mr. Chairman, as I stated earlier, to my knowledge there were no complaints or formal requests to the Minister of Consumer and Corporate Affairs, nor were there formal complaints to the Canadian Transport Commission.

Mr. Crosby: Mr. Chairman, on a related matter, as I understood the remarks made by the parliamentary secretary or by another hon. member, there are approximately 50 shipping conferences operating under the provisions of this act. Could the hon. member indicate to us to what extent these 50 shipping conferences are in competition with each other or in what way they are classified or divided for competition purposes?

[*Translation*]

Mr. Lapointe: Mr. Chairman, conferences themselves do not compete with one another because, normally, the shipowners within a conference devote their activity to a given ocean route, for instance, there is a conference for shipping between Canada and the United Kingdom, another for the transport of goods between Vancouver and Japan, or something similar. There may be some competition within a conference, that is, between shipowners who may be competing with one another, and of course, there will be competition at large with other shipowners or other companies outside the conference.

[*English*]

Mr. Crosby: I am not sure I understand the parliamentary secretary. He is indicating there have been no complaints under existing legislation similar to clause 12 of the bill. Now he seems to be indicating there is no occasion for any complaints. Perhaps he might explain why clause 12 is in the bill, and perhaps he can give us an example of a complaint which might require investigation under clause 12.

[*Translation*]

Mr. Lapointe: Mr. Chairman, I should like to refer the hon. member to clause 6 of the bill, which has already been passed

[The Chairman.]

to show him there are cases of complaints or inquiries. In addition, clause 12 as included in the bill, as I said earlier, grants additional protection to Canadian ships, though we hope it will never have to be used. But, should it happen that some conferences use means that do not respect the spirit of clause 6 in particular, or the bill in general, clause 12 will authorize the director of the Combines Investigation Commission to undertake an enquiry if he feels that the activities of a given conference go beyond what is envisaged by the bill.

[*English*]

Mr. Faour: Mr. Chairman, I have one brief question for the parliamentary secretary. Can he give me an indication as to whether this power of inquiry has been used before and, if so, how many times has it been used before?

[*Translation*]

Mr. Lapointe: No, Mr. Chairman.

[*English*]

Mr. Peters: Mr. Chairman, may I ask the parliamentary secretary one question. Is the reason it has not been used the fact that these companies do not necessarily have an office in Canada and there is no way we can use that provision on them? They are all foreign companies. We do not have ships in Canada and, therefore, many of them do not have an office here. Is the reason we have not considered subjecting them to this provision the fact that they do not exist in Canada and that any law we pass in this manner would not apply to them in any way since they are normally outside of Canada, and we would have to extradite them each time?

[*Translation*]

Mr. Lapointe: Mr. Chairman, I think we should not split hairs in this matter. If no investigations were ordered, it is probably because the conferences are providing Canadian shippers and the Canadian public with good services and that there has been nothing to investigate.

[*English*]

Mr. Muir: Mr. Chairman, I have one short question for the parliamentary secretary. The whole bill is full of legal jargon, as most bills are, and I offer my apologies to the lawyers in the House, but I understand that of necessity we must have that. Under the heading of "Investigation of Shipping Conference" it is stated that the director, on his own initiative, may carry out an inquiry, and also that an inquiry may be carried out on direction by the Minister of Consumer and Corporate Affairs or at the request of the Restrictive Trade Practices Commission. I wonder what steps would be taken. Does the director have the first decision on this, following which it goes to the Minister of Consumer and Corporate Affairs and then to the Restrictive Trade Practices Commission? In what sequence does this take place, if necessary?

[*Translation*]

Mr. Lapointe: Mr. Chairman, I think that I cannot, as Parliamentary Secretary to the Minister of Transport, answer

this question. This mechanism comes under the Department of Consumer and Corporate Affairs.

[*English*]

The Chairman: Shall clause 12 carry?

Some hon. Members: Agreed.

Clause agreed to.

On clause 13—*Office in Canada*

Mr. Mazankowski: Mr. Chairman, I have one question on the matter of offices. Are there any in Canada now and, if so, how many, where, and how long would it require for a conference to establish an office? What sort of latitude would be given?

[*Translation*]

Mr. Lapointe: Mr. Chairman, of the fifty-odd existing conferences, only a few do not have an office in Canada. Now I think the bill uses the verb "shall", therefore we will have to give those conferences which do not have an office here time to establish themselves.

● (2200)

[*English*]

The Chairman: It being ten o'clock, it is my duty to rise, report progress and request leave to consider the bill again at the next sitting of the House.

[*Translation*]

Mr. Lapointe: Mr. Chairman, if hon. members have only a few more questions to put at this point, maybe they will accept, by unanimous consent, to continue this consideration a little past ten o'clock in order to complete it.

[*English*]

Mr. Mazankowski: That would certainly be O.K. with us, Mr. Chairman. I think two or three more questions would certainly round it off as far as we are concerned.

Mr. Knowles (Winnipeg North Centre): All right.

The Chairman: In order to sit beyond the normal hour a decision would have to be made from the chair. Perhaps I could just not see the clock, if that is agreeable to hon. members.

Some hon. Members: Agreed.

Clause 13 agreed to.

Clause 14 and 15 agreed to.

On clause 16—*Regulations*

Mr. Corbett: Mr. Chairman, I should just like to put one point to the parliamentary secretary for clarification. Clause 15 establishes that members of the shipping conference shall provide information sufficiently satisfactory for conducting a meeting, which I assume deals with information that perhaps is in conflict between the groups. We then get to clause 16. Under subclause (2) we have reference to confidentiality and it is noted that information shall not be made public in such a manner as to be made available for the use of any business competitor of the persons to whom the information relates. It seems to me that these statements are contradictory, one to the other, and that they work against the purposes of the ideas of each group. Certainly if that is not the case this is less than crystal clear, at least to me. Could the parliamentary secretary give us some clarification in that regard?

Mr. Lapointe: Clause 15 represents the differentiation between the shipping lines which make up the conference, and the shippers and the exporters and importers. It gives to Canadians who are using the conference the ability to obtain information necessary to make a judgment about the tariffs imposed by the conference. Clause 16 is a last resort clause, giving power to the government to help those shippers get that information necessary to make a judgment about the tariffs. That is why there is this clause in respect of confidentiality, in order to put before the public all the financial operations of the companies.

Clause 16 agreed to.

On clause 17—*General security by ocean carrier*

Mr. Mazankowski: Mr. Chairman, I wonder whether the parliamentary secretary could advise the House if in fact there are any securities now on deposit? If so, for what reason? What are the terms and conditions? Perhaps the parliamentary secretary might even have the number that may be on deposit at this particular time. I am just wondering how widespread it is in fact utilized.

Mr. Lapointe: Mr. Chairman, to the knowledge of the official who is present, there was no requirement under the section. We are not totally certain of that assertion, but I will find out and pass the information along to the hon. member.

Clause 17 agreed to.

Clauses 18 and 19 agreed to.

On clause 20—*Annual Report*

Mr. Crosby: Mr. Chairman, very briefly, the bill requires a report within three months of the end of year. There is a similar provision now in enforcement. Could the parliamentary secretary tell the House whether the report provided under the provision currently in force has been made and, if not, when will it be made?

[*Translation*]

Mr. Lapointe: Mr. Chairman, I would have to secure that information from the Canadian Transport Commission which is responsible for the administration of this act. Unfortunately, I do not have it.

[*English*]

Mr. Crosby: Mr. Chairman, for clarification it is the Minister of Transport who must submit the report.

[*Translation*]

Mr. Lapointe: Mr. Chairman, up until now annual reports have been tabled regularly. I do not know exactly when the last one was. As I said, I can find out by tomorrow morning and get back to the hon. member.

[*English*]

Clause 20 agreed to.

Clauses 21 to 23 inclusive agreed to.

Clause 1 agreed to.

Title agreed to.

Bill reported.

* * *

[*Translation*]

BUSINESS OF THE HOUSE

Mr. Pinard: Mr. Speaker, about the business of the House for tomorrow, following the meeting that took place this afternoon between the respresentatives of the various parties on Bill C-29, and as there is complete agreement on the procedure and the amendments that could be made to the bill, we will be proceeding, barring a change, the consideration of Bill C-29 tomorrow. As there was also consent for the consideration to take place in committee of the whole rather than in a standing committee of the House, therefore, since the motion has not yet been introduced in the House and it will in all likelihood be introduced tomorrow, I want to advise hon. colleagues on both sides of the House that that motion will be disposed of with the necessary amendment to refer Bill C-29 to a committee of the whole. That motion will be disposed of without a vote and at the committee of the whole stage. As I mentioned earlier, there is complete agreement among the respresentatives of the various parties as to the nature of the amendments to be made to Bill C-29.

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, what the parliamentary secretary has said is in accordance with the agreements that have been reached, at least in so far as I understand that matter. It would seem to me that it might be useful to have an order made tonight in line with what we have done to change to motion for second reading, so that when we vote on it tomorrow, the motion will be to give the bill second reading and refer it to Committee of the Whole House. That is part of the agreement.

Mr. Ellis: That is our understanding also, Mr. Speaker.

● (2210)

[*Translation*]

Mr. Pinard: Mr. Speaker, that meets our views also, it being agreed that the motion will be disposed of by consent without a vote.

[*English*]

Mr. Deputy Speaker: I find it difficult to do that at this time. I might be ready to receive further direction from the House. The question not being before the House, I do not even have a motion in front of me. Unless an hon. member wants to indicate an acceptable procedure by which we can do that—of course by unanimous consent we can do anything we wish—we do not have that order in front of us. I wonder if it is possible for me to do it. I am ready to receive advice.

[*Translation*]

Mr. Pinard: Mr. Speaker, about the request for an order of the House made by my hon. colleague from Winnipeg North Centre (Mr. Knowles), I personally do not see any objection but in view of what I mentioned with respect to the agreement among the representatives of the various parties, if you prefer to dispense with that order of the House tonight, it seems everything could be done tomorrow without complication when the time comes to proceed with government orders.

[*English*]

Mr. Knowles (Winnipeg North Centre): That would be satisfactory, although I had thought it might be a House order that when item No. 29 is called tomorrow we could proceed with it, as we understand.

Mr. Deputy Speaker: I find it difficult to do it. The motion is not in front of me.

Mr. Knowles (Winnipeg North Centre): At least we know what we are going to do.

Mr. Deputy Speaker: I think I could only seek agreement of the House to do that tomorrow—to change the motion. Perhaps we should wait until tomorrow when the motion is in front of us.

Some hon. Members: Agreed.

Mr. Deputy Speaker: I note the consensus.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

POST OFFICE—OVERNIGHT INTERCITY COURIER SERVICE—ALLEGED SECRECY RESPECTING PROGRAM

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, on March 2 I questioned the Postmaster General (Mr. Lamontagne) about the new overnight courier service which it was rumoured had been launched by the Post Office Department.

There has been a veil of secrecy surrounding this service. The rumour was circulating following the somewhat embarrassing information revealed in the House that the Post Office Department has phased out this so-called assured mail service notwithstanding the expenditure of something like $1.5 million to provide special boxes and facilities of that kind to launch this now phased out program of assured mail.

● (2215)

It became necessary to ask the question then because it was impossible to get information from the department. Unfortunately this is a pattern that has been adopted by the Post Office increasingly in recent years. It has been surrounded by a sea of troubles, frequent changes of postmasters general, trouble with its mechanization program, increasing labour-management difficulties resulting in frequent strikes, and, of course, the inevitable result is the loss of business to private couriers.

The Postmaster General replied to my inquiry in rather enigmatic terms. He says this as reported at page 3763 of *Hansard* for March 2, 1979:

> It seems the hon. member is referring to our new service which is called Priority Post. It was devised to give to certain customers under contract a mail service comparable to that of any private enterprise competing with us at the moment. We could promote it, in a way, without publicity; the reason we have not publicized it is that we wanted to make sure that the operation was a success, that it was self-sufficient and that undertaking this new venture would not lead to a requirement for more money from taxpayers.

He goes on to say:

> There is nothing secret about it. It is just a question of good management on the part of the Post Office.

It really is quite secret. I was amazed in light of what the Postmaster General said that the Post Office Department had not been shouting from the rooftops about this overnight courier service. The best way, and this has always been a custom in this House as you well know, Mr. Speaker, when new programs of this kind are announced, is that they are announced in the House of Commons and members of parliament have a chance to respond. The public is informed, and the information should result in a favourable response from potential users of a new service of this kind.

Unfortunately, as I have said, the Post Office has developed an inferiority complex. It has become paranoid almost to the point where it is shrouding itself in a veil of secrecy. It refuses to table reports that would be helpful in resolving Post Office difficulties. There is suspicion and confrontation between management and labour rather than consultation and co-operation. This attitude even extends to the proposed Crown corporation legislation where the Post Office is surreptitiously attempting to extend its monopoly by using phrases such as "the transfer of goods" instead of transfer of parcels, and "the transmission of messages" rather than the conveyance of mail, which suggests it wants to move into the electronic transmission business. It spends great sums of money in fighting courier services, such as UPS, rather than providing the superior service which would compete easily with private couriers if the Post Office could only get its act together.

The point in raising this matter tonight is to restore confidence in the Post Office. Canada used to have the best postal service in the world. It was open and accessible to all Canadians. Members on this side of the House still believe that the Post Office is capable of recovering its morale and its efficiency. We believe it should be open and honest with the public if it is providing this service, instead of keeping it close to the chest. Let the public know that overnight courier service is available. Then they will recover the business and will increase their revenues in this manner rather than having to go to the regular periodic increases in rates which have occurred with frequency over the last three years. Inevitably when rates are increased one must face the prospect of losing business to competitors.

● (2220)

I would hope that when the parliamentary secretary replies he will be forthcoming to the House, that he will tell us without equivocation that the service is the best available, and let the customers know that the Post Office is trying to provide the service it is capable of providing rather than hiding its light under a bushel.

Mr. D. M. Collenette (Parliamentary Secretary to Postmaster General): Mr. Speaker, I would like to thank the hon. member for York-Simcoe (Mr. Stevens) for accommodating my schedule this evening by allowing this question to be dealt with first in the adjournment debate.

I think I can give the assurances to the hon. member for Brandon-Souris (Mr. Dinsdale) that he wanted in terms of explaining Priority Post. When I have concluded my remarks I will give him a promotional piece of literature which the Postmaster General (Mr. Lamontagne) signed for his edification. I can really only repeat the minister's answer that was given in the House the other day. I quote from *Hansard*:

> It was devised to give to certain customers under contract a mail service comparable to that of any private enterprise competing with us at the moment. We could promote it, in a way, without publicity; the reason we have not publicized it is that we wanted to make sure that the operation was a success, that it was self-sufficient and that undertaking this new venture would not lead to a requirement for more money from taxpayers.

To say that we have kept the service a secret is somewhat inaccurate. How can a service operate if we keep it a secret? How could we have contacted over 500 business firms and induced them to try a secret service? We have had coloured brochures, like the one I have in my hand, specially coloured bags, training programs, interval instructions and reports to postal employees. How could this have been done if it had been our desire to keep the service secret?

Knowing the diligence with which the hon. member for Brandon-Souris pursues his activities as official critic for the Post Office, those of us associated with the Post Office are not so naive as to think for one moment that we could keep something secret from the hon. gentleman. It can be seen that indeed it was not a secret. From past experience we knew perfectly well that the hon. gentleman would pose enough piercing questions often enough to gain us many lines of free

publicity across the country. He has done that.We thank him very much for drawing public attention to this very worthwhile service.

What is Priority Post? I am not sure how much time I have left. I could tell the House it is a new service from Canada Post, fundamentally a next day premium mail service between designated places of business. It is only offered on an individual service agreement basis. That means that the Priority Post you buy has been tailored specifically to the needs and schedules of the various businesses. It also means that, in committing itself to an agreed service, Canada Post plans to live up to its end of the bargain.

THE CANADIAN ECONOMY—MEASURES TO REDUCE CURRENT ACCOUNT DEFICIT

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, the adjournment debate that I join in tonight arises from a question I attempted to put to the Prime Minister (Mr. Trudeau) yesterday dealing with Statistics Canada current account deficit figures that were released at one o'clock yesterday afternoon. Unfortunately the Prime Minister was right out of it yesterday. He must have had a very bad caucus or something because he literally did not understand what I was talking about.

I was talking about the fact that it was revealed yesterday that our current account deficit was $5,261 million for the year 1978. That means we had a record deficit in that year, a record for any year to which you want to compare it. Most important, the fourth quarter of last year was also a record deficit. I think it is unfortunate that the government is attempting to gloss over the extent of the deficit into which it has led this nation. The fact that the Minister of Finance (Mr. Chrétien) was in this House until a few minutes ago and then left without replying to my remarks this evening shows how little they care about informing this House and the Canadian public concerning this matter.

● (2225)

A deficit of $5,200 million on current account represents 2.2 per cent of the gross national product of this country last year. That is a record deficit, as I have said, and it is a record ratio. When we compare it to the deficit in the United States we find that the U.S. current deficit was $17 billion on a $2,111.2 billion economy. Their ratio was .81 per cent. What is of even greater importance, though, is that in the economic report of the President transmitted to Congress in January of this year the following statement is made:

> The United States current account deficit is expected to decline considerably from the levels at the end of 1978, dropping to about an annual rate of $2-$8 billion by the end of 1979.

In short, Canadians have been led into a current account deficit which is almost equal to the anticipated deficit in the United States in the present year. Let us get this into perspective. All OECD countries in 1978 were, in the aggregate, actually in surplus as far as current accounts were concerned. All those countries, put together, were in surplus. We had a deficit of $5.2 billion. Let me put on record the surpluses of some of those other countries: Japan $20 billion, Germany $6 billion, France $2 billion, Italy had a surplus of $5.5 billion, and the United Kingdom had a deficit of $500 million compared to our deficit of $5.2 billion.

We note that time and again the Government of Canada is borrowing foreign funds. Appearing before a committee of the other place, the governor of the Bank of Canada, speaking on January 24 with regard to foreign borrowing, said we borrow enough money to cover our current account deficit. Then he went on to say, "I certainly do feel the current account deficit is too large now." The governor made that comment when it was anticipated that our current deficit for 1978 would be $4.5 billion. It turned out to be $700 million more than anticipated. Not only have we permitted a record deficit, but it is growing. We find, for example, that in 1973 this country actually had a surplus as far as our trade and services account with the rest of the world was concerned. But in the last five years we have run up an aggregate deficit with the rest of the world of $19,429 million. This means that for every man, woman and child in this country we have gone into debt to the extent of $844.

It has been said that somehow this position will correct itself if we can hold inflation down. But the sad fact is that to the degree this deficit has caused our dollar to collapse, it is causing inflation. It is expected that the CPI figures to be released next week will show on a month over month basis that inflation in February of this year was running approximately 9.4 per cent higher than one year ago. This is an intolerable situation. The government is simply using monetary means, the borrowing of foreign funds, to cover a foreign account deficit instead of using effective fiscal measures to correct the problem to which I have referred.

The whole key to this situation is not to take the current account deficit as a basis and then just try to finance it by foreign borrowing and forcing up our interest rates either to prevent a capital outflow or to stimulate an inflow. The Trudeau government has placed the Bank of Canada in an impossible position because it is asking them to use purely monetary tools to correct a situation which can only be corrected by fiscal steps. A Canadian dollar defence using monetary policy is doomed to failure from the beginning because the government has asked the Bank of Canada to do an impossible job.

● (2230)

When I raised the question yesterday I sincerely hoped that the Prime Minister would rise and say that the government was alarmed, that it felt it could handle this problem by monetary means—foreign borrowing—that it now realizes it has to take more severe fiscal steps, and that it is going to narrow the budgetary deficit which is triple, in relative terms, the deficit with which the Americans are living. If the Prime Minister had said that, I would not be in this debate tonight. However, not only did he refuse to say anything, but commenting on the figures I have referred to, the Minister of Finance said yesterday that this is a problem we have to live with. The hard truth is that this country cannot live with a chronic

current account deficit of the magnitude we have been led into by this government. That is why I was hoping we would have received some answers tonight, not from a parliamentary secretary but from the Minister of Finance.

Mr. Alan Martin (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I want to say at the outset that it is blatantly unfair of the hon. member for York-Simcoe (Mr. Stevens) to suggest that the Minister of Finance (Mr. Chrétien) should be here in this late show to respond to his question. He knows the tradition in this parliament whereby it is completely accepted that parliamentary secretaries respond at this time.

The second point I would like to make is that it is equally blatantly unfair of the hon. member to have anticipated that in the absence of the Minister of Finance yesterday, the Prime Minister (Mr. Trudeau), having just come into the building at two o'clock, should have been briefed on a release which came out at one o'clock.

Mr. Stevens: He had it the day before.

Mr. Martin: These points should be borne in mind.

Let me point out that historically Canada's balance of international payments has been characterized by a significant deficit on current account and a surplus on capital transactions. Current account deficits for Canada are neither new—in fact, they are the rule, not the exception—nor are they in themselves a bad thing.

The current account of Canada's balance of payments has registered a deficit in 25 of the past 30 years. As a percentage of gross national product the current account deficit it not out of line with our historical experience. In order to finance high levels of capital formation and enhance economic growth, Canada has traditionally supplemented its domestic savings by recourse to foreign capital markets. Deficits on current account are the necessary counterpart of this.

Nevertheless, under present circumstances the government would view a reduction in Canada's current account deficit as a favourable development. Despite temporary reversals we are optimistic that this will occur. Since the first quarter of 1976 we have experienced a substantial improvement in our merchandise trade account, and we expect further gains. As the House knows, the merchandise trade balance registered a record surplus of $3.5 billion in 1978. The merchandise trade figures for January, which were recently released, showed a merchandise trade surplus of $386 million. Projected on an annual basis, it comes to $4.6 billion. Our competitive position on international markets, which earlier had been a cause for concern, is much improved, and this should exert a positive influence on our current account over the coming quarters.

An additional favourable indicator is the halt in the deterioration in our travel balance. In fact, in the fourth quarter it registered a significant improvement.

The increase in the current account deficit was primarily due to increases in net payments of interest and dividends abroad and a swing in the balance on net transfers from an inflow of $366 million in 1977 to an outflow of $24 million in 1978. The swing in net transfer payments was almost exclusively due to an increase in official government contributions to non-residents, a large part of which was not a cash outflow.

I should also like to point out that the flow of dividends abroad in the fourth quarter was abnormally large and was associated with the removal of controls on dividends and the expiry of certain deferred tax advantages associated with the tax reforms of 1972.

Additionally, I would like to note that a portion of the increased dividend outflow in the fourth quarter was in the form of stock dividends and was offset by an inflow of direct investment in the capital account. Thus to some degree the deterioration in the current account last year was more apparent than real.

ENERGY—INQUIRY WHETHER DREE REPRESENTED IN MARITIME ENERGY CORPORATION

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, the Maritime Energy Corporation is an excellent vehicle for the development of a full-scale maritime power pool with strong interconnections to the United States and the rest of Canada. The Maritime Energy Corporation can also be an effective development tool for Atlantic Canada if the federal government is prepared to invest money to help this region help itself.

The government has chosen the Department of Regional Economic Expansion as its instrument for development, and I feel strongly that, as such, it should be represented on the Maritime Energy Corporation directorate and work with it and the premiers of the Atlantic provinces in creating a regional development strategy for Atlantic Canada.

• (2235)

The basic cost of energy is dictated by the cost of production, the cost of transmission, the cost of distribution, and the cost of operating the system. Clearly, the cost of production of energy that is used in an interprovincial grid and the cost of transmitting it is an area where the Government of Canada could wisely invest money in the form of a grant to reduce the cost of the end product. The amount of money invested would have a direct effect on the end product and could result in a very low energy cost. By introducing this low cost energy into the maritime power pool, the total cost of energy would necessarily be lowered.

In plants that are capital intensive and produce power from low cost sources such as hydro plants, tidal plants, and to a lesser degree nuclear plants, the elimination of this capital cost by the Government of Canada would be a real investment in the future of the Atlantic provinces.

If the Maritime Energy Corporation proceeds with the Fundy tidal power study and reports favourably on it, the maritime provinces would have in place a massive energy source that would be most attractive to metal and chemical based companies which could well locate on the periphery of such a plant, creating a large number of well paying jobs.

Then too, plants building electrical components for the staged development of Fundy might find it very much worth their while to build in that area. The spinoff in service and support industries could be considerable. That is where DREE comes in and that is why DREE should be involved with the Maritime Energy Corporation.

DREE should get away from the idea that its main responsibility is to provide industrial incentives to entrepreneurs who wish to move into the Atlantic area, or to local businessmen who want to expand their present operations, or a series of ad hoc programs providing valuable services, but on a small, piecemeal scale. DREE should be doing more than that. It should be looking at the big jobs crying to be tackled. For example, DREE has done nothing so far about the Fundy tidal power project. It is very convenient for the government, whenever Fundy is seriously mentioned, to be able to pass it off to a study or a commission or a committee, which it knows full well can stall the project another year or another decade. DREE should be brought into these discussions. DREE should be handed the responsibility of correlating these studies. DREE should be given the job to do.

DREE was created to lead the attack on regional disparity. Like Uriah, the Hittite, it was to be thrust into the forefront to battle, there to do or die. But DREE stayed in the background when the big conflicts were raised. It handed out its grants and loans to justify its existence, and failed miserably to take hold of the big projects which the Atlantic provinces have needed for generations. In short, it avoided the massive development undertakings without which the Atlantic provinces will always remain what they are today—the most neglected part of Canada.

Finally, I want to say that I am very pleased to see the Maritime Energy Corporation moving forward. In addition to the financial advantages this corporation can have as a vehicle combining the credit potential of three maritime provinces with the Government of Canada, I see tremendous future planning opportunities for the corporation by utilizing the excellent resources of the New Brunswick Electric Power Commission and the Nova Scotia Power Corporation which are already in place. I do not envisage a large or expensive organization, nor need it become another layer of bureaucracy. Instead, I see a vehicle for development which has tremendous potential, and its success depends entirely on the extent to which the Government of Canada is prepared to invest in it and develop Atlantic Canada.

Mr. Alan Martin (Parliamentary Secretary to Minister of Finance): Mr. Speaker, before responding to the hon. member for York-Sunbury (Mr. Howie), I should like to place on the record a correction to part of my response earlier to the hon. member for York-Simcoe (Mr. Stevens) who was good enough to draw to my attention that Statistics Canada does indeed record that in the fourth quarter of 1978 there was a further slight deterioration in the travel balance. That reference I made should have been to the month of January, 1979, when there was some significant improvement.

● (2240)

Mr. Speaker, on February 19, 1979, the Minister of Energy, Mines and Resources and Minister of State for Science and Technology (Mr. Gillespie) tabled a memorandum of understanding between Canada, New Brunswick, Nova Scotia and Prince Edward Island dealing with the Maritime Energy Corporation.

This memorandum establishes the agreed functions which the corporation would perform, and these may be summarized as follows: (1) Carry out regional planning of electrical generation and transmission for the three maritime provinces; (2) finance, build and operate regional generation and transmission; (3) co-ordinate and dispatch the day to day operation of the maritime electrical system; (4) purchase and sell power over transmission ties external to the region; and (5) engage in research and development.

It has been agreed that the Point Lepreau nuclear unit will be MEC's first major project. Its output will be sold through back-to-back contracts with Canada as an intermediate purchaser. This involvement by Canada in back-to-back contracts ensures a strong credit rating for MEC and should permit borrowing for project financing at reasonable rates.

The provincial utilities and the federal government will contribute equity up to 10 per cent of the Lepreau project cost. In addition, the federal government will provide a performance loan to reduce the impact on revenue requirements of possible performance problems that might seriously reduce Lepreau output. The maximum drawdown will be $200 million.

This agreement promises to provide regional co-operation unique in Canada and will ensure greater stability in electricity price within the maritime region than would have been possible without MEC.

There remains to be worked out the detailed legal agreements to implement the decisions reached and to permit the incorporation of Maritime Energy Corporation under the Canada Corporations Act. The shareholders will exercise their rights under these agreements and provide direction to the officers of the corporation through a board of directors nominated by each of the four parties. Federal representation on the board of directors will likely reflect the interests of several departments, and will undoubtedly take into account the individual contribution which directors can make to the effective operation of the new corporation.

The final structure of the board of directors has not yet been determined. It should be noted, however, that in negotiating the details of this agreement the Department of Finance and DREE have been closely associated with Energy, Mines and Resources. Undoubtedly the interests of all three departments will be taken into consideration in the nomination process for members of the board.

Mr. Deputy Speaker: A motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow morning, at eleven o'clock.

Motion agreed to and the House adjourned at 10.43 p.m.

HOUSE OF COMMONS

Friday, March 9, 1979

The House met at 11 a.m.

● (1105)

ROUTINE PROCEEDINGS

[*English*]

CULTURAL AFFAIRS

PROPOSED AUDIT OF BOOKS OF CANADIAN COUNCIL OF CHRISTIANS AND JEWS—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise on a matter of pressing necessity concerning the statement of the Secretary of State a few days ago that an independent audit, so-called, would be conducted of the affairs of the Canadian Council of Christians and Jews.

I move, seconded by the hon. member for Hastings (Mr. Ellis):

That the Secretary of State forthwith announce who the auditors will be, why the Auditor General of Canada is not being utilized, whether the audit will reconcile government grants given with the fact that annual reports of the Canadian Council of Christians and Jews make no mention of such grants and, finally, whether the audit will investigate bonuses from government funds to certain directors, and when and why an Air Canada pass was issued to Peter Jones, president of the Canadian Council of Christians and Jews, who has now resigned his post.

Mr. Speaker: Introduction of such a motion at this time requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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EXTERNAL AFFAIRS

RECOMMENDATIONS OF IJC ON GARRISON DIVERSION PROJECT—MOTION UNDER S.O. 43

Mr. Dean Whiteway (Selkirk): Mr. Speaker, under the provisions of Standing Order 43, I rise on a matter of urgent and pressing necessity.

In consideration of the representations made by Governor Link, of North Dakota, to the Congress of the United States for additional funding to continue construction of the Garrison diversion project, I move, seconded by the hon. member for Provencher (Mr. Epp):

That the Secretary of State for External Affairs make a statement on motions today outlining Canada's official position on the International Joint Commission's final recommendations for the Garrison diversion project.

Mr. Speaker: Introduction of such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1110)

THE SEAL HUNT

REFUSAL OF NOVA SCOTIA NDP LEADER TO ENDORSE SEALING—MOTION UNDER S.O. 43

Mr. John C. Crosbie (St. John's West): Mr. Speaker, I rise under the same Order on a matter of urgent and pressing necessity.

In view of the fact that the leader of the NDP in Nova Scotia, Mr. Jeremy Ackerman, refused to support the introduction of a resolution in that legislature endorsing the seal hunt off the east coast of Canada and offering support and encouragement to the fishermen of east coast Canada in pursuing their lawful activities, introduced by the minister of development, thus refusing to support the workingmen of east coast Canada, unjustly criticized for engaging in their traditional fishing occupation, I move, seconded by the hon. member for St. John's East (Mr. McGrath):

That this House condemns the leader of the NDP in Nova Scotia for his refusal to support the activities of Canadian fishermen and regrets his party's lack of concern for the workingmen of Newfoundland, the Magdalen Islands and east coast Canada generally.

Mr. Speaker: Order, please. I have great difficulty in trying to fit that motion into the administrative responsibilities of this House.

The hon. member for Winnipeg North Centre (Mr. Knowles).

* * *

HOUSE OF COMMONS

SUGGESTION THAT PUBLIC FUNDS BE USED TO SUBSIDIZE "HANSARD"—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, under the provisions of Standing Order 43, and seconded by the hon. member for Sault Ste. Marie (Mr. Symes), I move:

S.O. 43

That this House notes that public funds are used to subsidize the press gallery and to cover the cost of televising our proceedings, as well as to publish and distribute great quantities of government informational material, and this House therefore asserts that it is appropriate for public funds to be used to subsidize the distribution of *Hansard* at a reasonable subscription rate, so that those who wish to receive the official record of the debates of this House will be encouraged to do so.

Some hon. Members: Hear, hear!

Mr. Speaker: Introduction of such a motion for debate at this time would require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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SHIPBUILDING

ASSISTANCE FOR HALIFAX SHIPYARDS—MOTION UNDER S.O. 43

Mr. Howard Crosby (Halifax-East Hants): Mr. Speaker, I rise under the provisions of Standing Order 43. The Halifax shipyards are in danger of losing multimillion dollar contracts for the construction of fishing trawlers unless assistance is made available to repair existing facilities.

I move, seconded by the hon. member for Cape Breton-The Sydneys (Mr. Muir):

That this House direct the Minister of Industry, Trade and Commerce to convene a meeting with the Premier of Nova Scotia to determine what assistance can and will be provided for the Halifax shipyards.

Mr. Speaker: The motion can be presented for debate, pursuant to Standing Order 43, only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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NATIONAL RESOURCES AND PUBLIC WORKS

FAILURE OF ONTARIO TO PROVIDE HOUSE COMMITTEE WITH BRIEF BEFORE INFORMING PRESS—MOTION UNDER S.O. 43

Mr. Maurice Foster (Algoma): Mr. Speaker, I would like to move a motion under Standing Order 43. In view of the fact that the Ontario government failed to observe the common courtesy of providing the parliamentary Standing Committee on National Resources and Public Works with its brief on Bill C-42 before leaking it to *The Globe and Mail* last night, I move, seconded by the hon. member for Peel-Dufferin-Simcoe (Mr. Milne):

That this House urges the Ontario government to reimburse its citizens for the public funds needlessly spent in sending an official to appear before the parliamentary committee last evening.

[Mr. Knowles (Winnipeg North Centre).]

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

Some hon. Members: Agreed.

Some hon. Members: No.

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REGIONAL ECONOMIC EXPANSION

CONTINUED FUNDING OF COUNCIL OF RURAL DEVELOPMENT—MOTION UNDER S.O. 43

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

The Minister of Regional Economic Expansion (Mr. Lessard) has axed the Council of Rural Development Canada. This agency is one of the few positive attractions in what has become an otherwise oblique and unimaginative department. It is the one vital connection that rural Canadians in the undeveloped regions of the country have with a ministry that is supposed to serve their interest.

I move, seconded by the hon. member for York-Sunbury (Mr. Howie):

That this House does instruct the Minister of Regional Economic Expansion to continue funding that one apolitical body in the country that speaks on behalf of millions of rural Canadians.

Mr. Speaker: Introduction of such a motion for debate at this time would require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

CURRENT ACCOUNT DEFICIT—EFFECT ON INFLATION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in the absence of the Minister of Finance, perhaps I could put my first question to the Prime Minister.

Two days ago I asked the Prime Minister a question concerning our current account deficit of $5.2 billion; in other words, our shortfall with the outside world—$5.2 billion being a record for this country. At that time the Prime Minister hesitated to reply. Could he tell the House, first, has he looked into these figures; second, has he had discussions with his Minister of Finance; and third, does he agree with the Minister of Finance that it is a problem we will simply have to live with?

Right Hon. P. E. Trudeau (Prime Minister): "No" to the first two questions, Mr. Speaker, and "Yes" to the third.

• (1115)

Mr. Stevens: Can the Prime Minister go further and tell us what, specifically, he sees the government doing to relieve the situation, bearing in mind that the current account deficit means our dollar will stay under heavy pressure? This causes inflation in the country. For example, we find that raw hide prices in Canada went from 42 cents a pound to $1.05 a pound this week. This is largely due to the fact that Japanese and Korean buyers find that our hides are now so cheap that they are reaching over, buying them and driving up Canadian domestic prices, with the result that shoe prices, already up this spring $2 to $3 a pair, will be up substantially more come the fall.

Mr. McGrath: We'll all be barefoot.

Mr. Trudeau: Mr. Speaker, Canada has been a capital importing nation for many, many decades. We continue to be a capital importing nation. The essential question is whether this creates development in Canada, creates jobs and creates expansion. This has been the history of the past half century, that foreign capital has added itself to Canadian savings in order to develop this country. I have never heard any party protest against that, including the party of the hon. member.

Mr. Stevens: The Prime Minister apparently misses the question. The fact is we are paying for last year's grocery bills; we are paying what we owe the rest of the world. This is not bringing in capital to build the infrastructure of this country. As a result, we have a low dollar which has now caused oranges, for example, to go from $1.78 to $2.28, a 28 per cent increase compared to last March. The same is true of various other products: grapefruit have gone from 25 cents to 33 cents each, up 28 per cent due to the inadequacy of this government's fiscal policy.

Will the Prime Minister now tell the House that he made a mistake in the past and that he is going to bring in proper fiscal measures to arrest this haemorrhaging compared with the rest of the world?

Mr. Trudeau: Mr. Speaker, I do not know if I will manage to explain it to the hon. member. If people want to buy oranges, grapefruit and bananas, they will have to pay the price for them that is set in other countries.

Some hon. Members: Oh, oh!

An hon. Member: Let them eat cake!

Mr. Trudeau: Cake can be made in our country. I know the hon. member's face is full of it all the time.

INCREASED COST OF IMPORTS DUE TO DEVALUED CANADIAN DOLLAR—EFFECT ON DOMESTICALLY-PRODUCED GOODS

Mr. Rob Parker (Eglinton): Mr. Speaker, I have a supplementary question for the Prime Minister. This morning he spoke about the cost of imported goods which has increased because of the drop in value of the dollar. The same kind of increases have occurred with regard to Canadian-produced goods. Sockeye salmon went up over 23 per cent in the last year. My colleague mentioned the increase in price of raw hides.

Does the government have any plan to take fiscal steps to correct these increasing price levels and inflation, or are all these price increases simply something the Canadian people will have to live with?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the hon. member will consult the statistics and look at the increase in revenue of farm groups, for example, in the past ten years he will find it has increased about three times. In the case of fishermen it has been even higher. We are satisfied with this; we think it is good that the fisherman and the farmer are getting higher revenues.

Mr. Parker: We are not suggesting there is anything wrong with farmers getting a decent income. What is wrong is that consumers are having to pay ever higher prices, not because of our domestic producers but because of—

Some hon. Members: Question.

Mr. Parker: My question is also to the Prime Minister. Will the latest watchdog agency, the NCI, have any kind of guidelines to govern its procedures over the next few months and are they going to be able to live with the problems they see?

• (1120)

Mr. Trudeau: Once again, I fail to understand the hon. member's policy. In his first question he complained that fishermen are getting too much for their fish; in his second question he says he does not object to fishermen getting too much money for their fish. I wish he would make up his mind.

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HEALTH AND WELFARE

ONTARIO DOCTORS WITHDRAWING FROM OHIP—GOVERNMENT POSITION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I will address my question to the Prime Minister, in the absence of the Minister of National Health and Welfare. It is not a detailed question; it affects over-all government policy.

Considering the countless doctors in Ontario currently withdrawing in massive numbers from OHIP are forcing increases in their charges from 25 per cent to 30 per cent above OHIP rates and beginning virtually to destroy the universality of medicare, would the right hon. gentleman tell the House what

the government plans to do to preserve this essential service in Canada's largest province?

Right Hon. P. E. Trudeau (Prime Minister): I would have to refer to my colleague for details of the particular situation in Ontario. The medicare plan, which was established by a Liberal government is, of course, one which is basic and essential and it is founded on the principle of universality and accessibility. If anything is done by any province to depart from that principle, we would have to review the very high payment the federal government is making to the province in respect of half the cost of medicare.

Mr. Broadbent: Mr. Speaker, I have just been informed that the minister will be back later in the question period, so I will ask my supplementary later when she returns.

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[*Translation*]

PUBLIC WORKS

POSSIBILITY OF FARMERS LEASING EXPROPRIATED LAND AT MIRABEL—GOVERNMENT POSITION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, my question is directed to the Minister of Public Works. Quite recently it was announced in the press that a committee would be set up to consider the possible uses for expropriated land at Mirabel airport. Could the minister tell the House whether the unused acreage which was formerly farmed land will be returned to farming and, if so, whether there have been discussions with the provincial agriculture minister concerning agricultural zoning?

Hon. André Ouellet (Minister of Public Works and Minister of State for Urban Affairs): Mr. Speaker, the land situated on the outskirts of Mirabel airport was expropriated a few years ago to provide a buffer zone that would make it possible to operate the airport 24 hours a day, seven days a week without the noise and pollution inconveniences found in most large international airports. That land now belongs to the Canadian government. We think that it is now under-used to some extent and this is why I announced last week the establishment of a federal corporation which will be asked to put those acres to a better use, and more especially to intensify their agricultural use. I can therefore assure the hon. member that such decision is consistent with the policy of provincial authorities and that the Quebec agriculture department has been asked to appoint to the board of directors of that corporation representative who will state the case of that department.

Mr. Lambert (Bellechasse): Mr. Speaker, as this corporation will be responsible for the administration of these pieces of land, will farmers be allowed to lease these pieces of land which are available at the periphery of the airport?

Mr. Ouellet: Yes, Mr. Speaker, it is clear that these pieces of land will be put at the disposal of farmers who are prepared to farm them, although some of them will be reserved for testing certain species in co-operation with the federal Department of Agriculture, the Quebec agriculture department and the Quebec Agricultural Producers' Union.

* * *

● (1125)

[*English*]

THE CANADIAN ECONOMY

NATIONAL COMMISSION ON INFLATION—MANNER OF OPERATION

Mr. Robert de Cotret (Ottawa Centre): Mr. Speaker, I would like to direct a question to the Prime Minister with regard to the National Commission on Inflation. How can the government expect the commission to be successful if it is given no guidelines to appraise price performance in the economy?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the mandate given to the commission is to watch for any settlements or increases in incomes or prices which would be dangerous in causing accelerated inflation. That is a matter of judgment. Mr. Renouf and his commissioners will exercise their judgment ably in the future as they have in the past.

Mr. de Cotret: In that case, Mr. Speaker, I would like to ask the Prime Minister whether the government itself has any guidelines which it will use in making its own judgments on the reports from this commission. How will the government determine what constitutes normal price, wage and profit behaviour, and how will it determine what constitutes abnormal or reprehensible behaviour in this area?

Mr. Trudeau: Mr. Speaker, this kind of judgment is made all the time by people engaged, for instance, in collective bargaining. When you refer to an arbitrator, you do not give him guidelines. You ask him to look at what would be an appropriate settlement in a particular case. He looks at settlements in other areas. He considers whether there is need for a catch-up or whether the group involved is ahead of others, and he makes a judgment. The same thing can be done with regard to prices.

FINDINGS BY CSIP—GOVERNMENT ACTION THEREON

Mr. Jack Hare (St. Boniface): Mr. Speaker, in the absence of the Minister of Finance, my question is directed to the Prime Minister. Before the Centre for the Study of Inflation and Productivity was aborted by the government, it made public a number of significant findings concerning the cost of living in Canada. For example, it pointed to food industry profits and dairy industry costs, and criticized the government's wage settlement with letter carriers as being excessive and inflationary.

What action will be taken to follow up on these findings, and what about the many other studies CSIP was undertaking? Will they be published, or will they also be aborted?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member has given examples to his colleague from Ottawa of the kind of judgment which can be made without any specific guidelines. I hope these new members will meet and explain some things to each other.

Mr. Fraser: Why don't you answer the question?

Mr. Hare: Mr. Speaker, in introducing the National Commission on Inflation last Friday, the Minister of Finance claimed it would have broader investigatory powers than CSIP and that this would enable the commission to get to the truth behind rising prices. I understand that when CSIP requested information from companies, only a very few refused to provide it; and I am pleased to hear that the minister is concerned about the truth. It is in this regard that I put my supplementary question. Why is the NCI not directly responsible to parliament, as CSIP was, and why is the NCI reporting to the minister and not to parliament and the people of Canada?

Mr. Trudeau: Mr. Speaker, CSIP was under the direction of the Economic Council of Canada which was not reporting directly to parliament; it was reporting directly to the Prime Minister. The new group will report to the Minister of Finance. I do not think there is any objection to that, even on the part of the hon. member.

The important thing is that in the case of CSIP it was put under the Economic Council of Canada at the request of the provinces which, at the time we were discussing the post-controls period, did not want that particular institution to have any power to compel production of information. Experience has shown that that was not sufficient because some groups did, indeed, refuse to supply CSIP with information. That is why we took the next step.

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REGIONAL ECONOMIC EXPANSION

FINANCIAL ASSISTANCE TO SYDNEY STEEL PLANT

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Regional Economic Expansion. I am informed that the cabinet reached a decision yesterday with respect to providing financial assistance to the Sydney Steel mill to assist Sysco in the urgent and necessary modernization of its plant. I wonder if the minister can provide the House with details of such financial assistance.

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, unfortunately I cannot provide the House with detailed information on the mandate I have been given by the cabinet to enter into a final round of negotiations with a view to an agreement with the province which will help Sysco upgrade its present facility and meet the requirements which would allow Sysco to fulfil the contract it entered into with Tisco recently.

● (1130)

I hope in the coming days we will be in a better position to work it out with the province. I do not have a mandate to sit down with the province and talk about the details of what we are prepared to offer to the province for that purpose.

Mr. Muir: I regret that the minister is not in a position to provide dollar values, and so on, but I wish to commend and thank the minister for his reply. I am sure I speak not only for the steelworkers but for thousands of Cape Bretoners and Nova Scotians when I pay tribute to him, to the Minister of Industry, Trade and Commerce, to the right hon. Prime Minister, and especially to the Deputy Prime Minister, for their activities in this regard. I have been in close touch with them all in reaching this very important decision to at least make a start on solving this most vital problem.

* * *

EXTERNAL AFFAIRS

MIDDLE EAST PEACE TALKS—ARAB COUNTRIES CONSULTED BY CANADA

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, in the absence of the Secretary of State for External Affairs I will direct my question to the Prime Minister.

On Wednesday I asked the Secretary of State for External Affairs about consultations Canada is having in support of a peace treaty between Egypt and Israel. Yesterday, the minister announced, "we have encouraged Israel's Arab neighbours to join the negotiating process". Can the Prime Minister tell the House which Arab countries have been consulted, and the general nature of those discussions?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, I cannot. The Secretary of State for External Affairs did not inform me which Arab countries he was contacting.

Mr. Roche: I hope that the House can be informed on this important question very soon. Jordan is one of the key countries in the effort to build Arab support for the Egypt and Israel peace treaty.

I should like to ask the Prime Minister whether the time has not arrived for Canada to establish a modest-size embassy in Jordan, where we now have no Canadian presence, and to pay for it by diverting a portion of the present $48 million for capital construction of embassies which is now in the estimates to pay for the establishment of a Canadian presence in Jordan at this critical moment?

Mr. Trudeau: Mr. Speaker, there is a Canadian presence in Jordan. I recognize that it is not a permanent mission, but there is a Canadian presence there. I had the opportunity of meeting with it when I visited Jordan a couple of years ago.

Certainly, the hon. member's representation will be considered by the minister. It is a country with which we would like to have good and closer relations. But once again we run into the difficulty of expenditure cuts: the Department of External Affairs, like other departments, has been severely curtailed in its rate of expenditure growth.

* * *

[*Translation*]

COMBINES INVESTIGATION ACT

REQUEST FOR MEASURES GUARANTEEING ADEQUATE OIL SUPPLY FOR INDEPENDENT DISTRIBUTORS

Hon. Francis Fox (Argenteuil-Deux-Montagnes): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. In view of the excellent measures which the Minister of Energy, Mines and Resources and Minister of State for Science and Technology announced last week to help Quebec independent oil distributors obtain their oil supplies from outside Canada, could the Minister of Consumer and Corporate Affairs advise the House whether his department is now prepared to take the necessary steps under the Combines Investigation Act to make sure that these independent distributors may continue to obtain their oil supplies from inside Canada?

[*English*]

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Yes, Mr. Speaker, I have already asked the director of investigations to monitor the oil industry's behaviour in respect of section 31.2 of the Combines Investigation Act; that is the section dealing with refusal to supply. I have asked them, further, to apply, if appropriate, to the Restrictive Trades Practices Commission for an order directing the oil companies to provide oil supplies to independents.

Some hon. Members: Hear, hear!

* * *

PUBLIC SERVICE

DECENTRALIZATION OF DEPARTMENTS—GOVERNMENT POLICY

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, my question is for the right hon. Prime Minister. Considering the Prime Minister's well known concern about conflict of interest and political integrity, can he explain the rationale and criteria employed to justify the federal government's decentralization plan in the public service whereby, of the 15 departments or agencies shifted from Ottawa, 14 went to Liberal ridings, eight of these ridings being represented by cabinet ministers?

Some hon. Members: Oh, oh!

Some hon. Members: Shame.

[Mr. Trudeau.]

Right Hon. P. E. Trudeau (Prime Minister): I do not know if the facts are as recited by the hon. member. I would have to refer to the minister in charge of decentralization to verify them.

I do know that many Liberals are elected in various parts of the country, including ridings which deserve decentralization, and certainly we would not deprive an area of decentralization merely because it is represented by a Liberal.

Mr. Symes: Mr. Speaker, those figures come from the PSAC. I think the Prime Minister is stretching the credulity of the House if he believes that only Liberal ridings are deserving of this decentralization assistance.

I wonder if the Prime Minister, at a later date, could table in the House the exact criteria explaining that what we on this side of the House think, namely, that the number one priority is to be a Liberal, is not in fact the case.

Mr. Trudeau: I really do not know if the allegations made by the hon. member are based on fact or not. I did undertake to refer them to the minister and I will take note of the question.

REORGANIZATION OF AIR OPERATIONS PERSONNEL—GOVERNMENT INTENTIONS

Mr. Ron. Huntington (Capilano): Mr. Speaker, in the absence of the Minister of Transport I will address my question to the President of the Treasury Board.

In view of the serious morale problem which exists in the air operations groups of the Department of Transport, and the increasingly difficult challenge to enforce Canada's air safety standards with the limited manpower resources left in that group—all of which is now aggravated by the March 5 resignation of the officer in charge of the air safety division of the western region—will the minister advise if it is the government's plan to privatize the civil aviation inspection function, or is it taking steps to reorganize and recategorize that group within the Department of Transport?

Hon. Judd Buchanan (President of the Treasury Board): Mr. Speaker, the answer to the first portion of the question is no, there is no intention to privatize that function. So far as the organization within the Department of Transport is concerned, that falls within the bailiwick of my colleague, the Minister of Transport.

Mr. Huntington: In view of the fact that the collective bargaining process has been stretched beyond the limit of credibility and now appears to be little more than make-work projects for negotiators, will the President of the Treasury Board and his colleague, the Minister of Transport, now come down from their apparent rigid, aloof and technical stance, meet with the parties concerned and take measures to correct this whole sorry, sad mess?

Mr. Buchanan: Mr. Speaker, I do not accept the allegations of the hon. member that there is a rigid, inflexible stance, nor

do I accept that the matter has reached the point where there is no hope of negotiating a satisfactory conclusion. My hope, as I indicated to the hon. member in answer to previous questions put on this matter, is that in fact we can reach agreement with the air operations group. That is the intention and we intend to proceed toward that goal.

* * *

EMPLOYMENT

REQUEST FOR DETAILS ON NUMBER OF JOBS CREATED

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is for the Minister of Employment and Immigration. I should like to ask whether he could lay before the House a breakdown of the statistics which he and the Minister of Finance use repeatedly in the House when saying there is an annual increase of 430,000 to 450,000 jobs every year.

The question is whether the minister could break down these figures, since they cannot be equated with the actual job inventory or unemployment statistics. Could he break down these figures to the actual jobs created by industry, jobs created by the public sector, and jobs which are simply recycled through Canada Works and student employment programs?

Hon. Bud Cullen (Minister of Employment and Immigration): It is a welcome change, Mr. Speaker, to hear someone from the opposition talking about the number of jobs created.

Some hon. Members: Hear, hear!

Mr. Cullen: At least they are now coming to recognize that this is, in fact, taking place. I would point out to him that such a question could be put on the order paper and I would leave it up to StatsCan to come out with the specific figures, because I do not think I am required to remember them.

I would remind the hon. member that in the manufacturing sector—this figure comes from that organization as well—there were in excess of 125,000 jobs created. There were more jobs in manufacturing last year than the year before. So jobs are being created, and at a record pace.

Mr. Oberle: Mr. Speaker, my concern is not so much about the jobs being created—all of us are concerned about that—but, rather, about the jobs being recycled and used for political purpose in statistics quoted in the House.

● (1140)

Does the minister have, and will he present to the House, the statistics concerning how many of these jobs are being recycled every year and how many are permanent? Is it the intention of the government to make more of these jobs permanent? In other words, will the government channel more of the money being wasted in some areas of the country into the private sector, which would be more capable of creating permanent jobs, instead of recycling useless endeavours every year?

Mr. Cullen: Mr. Speaker, I do not think there is any point in providing information to the hon. member because, obviously, he has not read what has been provided already.

Some hon. Members: Oh, oh!

Mr. Cullen: We indicated that Canada Works—I am sure that is the type of thing the hon. member is talking about—creates temporary jobs, and that we established an economic growth component factor under Canada Works to create permanent jobs.

Now there are three agreements—one with New Brunswick, one with Nova Scotia and one with Quebec—directed specifically at creating permanent jobs. For example, there is the local employment development assistance program. There is a whole series; I think there are some 14 which I named in my announcement in September. If the hon. member does not read what we have put in place already—and, heaven knows, a lot has been done—I do not know why we should add to his burden if he is not accepting this in any event.

* * *

COMMUNICATIONS

PORTRAYAL OF WOMEN IN ELECTRONIC MEDIA PROGRAMMING AND ADVERTISEMENTS

Mr. Jim Fleming (York West): Mr. Speaker, my question is directed to the hon. Minister of Communications. In recent months, numerous women's groups have made strong representations to the CRTC respecting the stereotyped portrayal of women in electronic media programming and in advertisements carried by our networks.

What has been the reaction of the Minister of Communications to these representations? Does she have any intention to act on them in areas under the jurisdiction of her department?

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, I feel so strongly about the subject—

Mr. McGrath: I am sure you do.

Mrs. Sauvé: —that last spring I made a speech on the matter when I addressed the National Association of Broadcasters, which is the United States equivalent of our Canadian Association of Broadcasters. Perhaps I exhausted the patience of my audience, but I wanted to make the point very strongly that broadcasters and the advertising industry should refrain and restrain themselves from using women to advertise anything and everything, and also that they should look at the matter of advertising feminine hygiene products.

I have raised the matter with the chairman of the CRTC in the hope that he will be able to set up standards very much like those for children's broadcasting. I am prepared to set up a group to monitor the advertisements on television in the hope that the regular publication of their comments would help to educate the public and apply pressure.

Some hon. Members: Hear, hear!

Oral Questions

POST OFFICE

DELAY IN DELIVERY OF MAIL

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to direct a question to the Postmaster General. A week ago I asked him a question referring to problems which arose in the city of Calgary. Other members have asked questions concerning areas across the nation. I want to ask him if an investigation has been conducted.

Perhaps at the same time I could ask if he is aware of a letter posted at Mayerthorpe on September 4, 1975, and postmarked on that date, which was received on Feburary 6, 1979. It took three years and four months after posting for the letter to go 300 miles.

Mr. Trudeau: Was it urgent?

Mr. Woolliams: During that time, the price of a stamp increased from 8 cents to 10 cents, to 12 cents and then to 14 cents. After almost 3½ years, does the receiver have to pay six cents more because of a Post Office delay?

Some hon. Members: Hear, hear!

Hon. J. Gilles Lamontagne (Postmaster General): Mr. Speaker, I do not think I can answer in detail—

Some hon. Members: Oh, oh!

Mr. Lamontagne: —the question as to why somebody should have to pay six cents more for a letter received approximately three years after it was posted. That is part of the process. But perhaps I can tell the hon. member for Calgary North something more serious.

In the first part of his question he asked if an investigation had been made concerning the allegations of vandalism and different reprehensible acts in the Calgary post office. I am a little fed up with allegations coming from everywhere concerning vandalism and the inquiries we are attempting to conduct. I know Mr. Woolliams received a communication from Mr. Hall, the president of CUPW in Calgary, concerning this—

Some hon. Members: Order.

Mr. Lamontagne: —but every time we attempt to make an inquiry about such matters we meet with silence from the workers' representatives, and even some media representatives, who do not want to speak and give us leads which could help us do our work in trying to find out who—

An hon. Member: Oh, oh!

Mr. Lamontagne: The hon. member for Nickel Belt is laughing, but I think a responsible union leader such as Mr. Hall from Calgary should help us, instead of keeping silent. He should help us find the responsible people. I challenge him to help us take some disciplinary action.

Some hon. Members: Order.

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

[Mrs. Sauvé.]

Mr. Woolliams: Mr. Speaker, perhaps I could help the Postmaster General. I ask him if he would be prepared to set up an independent investigation. The Postmaster General spoke of Mr. Hall. Mr. Hall wrote a letter to me last week in which he admitted many of the allegations I have made. If he will write to me in that regard, I am sure he will talk with an independent investigator in order to get this mess cleaned up once and for all.

Some hon. Members: Hear, hear!

Mr. Lamontagne: Mr. Speaker, I challenge Mr. Hall, the president of CUPW in Calgary, to help us find out who was responsible for the vandalism in the Calgary post office, even if it was a member of his own union.

* * *

SOCIAL SERVICES

PROPOSED ADVISORY COMMITTEE ON REHABILITATION

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is directed to the Minister of National Health and Welfare, who was in the House earlier but unfortunately is temporarily absent. In her absence, perhaps the acting minister can respond.

Mr. Baker (Grenville-Carleton): She has gone to mail a letter.

Mr. Dinsdale: Hon. members will be aware that the Easter Seal campaign has been launched in Canada. Now that the bureau on rehabilitation has been restored in the minister's department under the capable direction of André Leblanc, when will the hon. lady be taking the next essential step to set up the long anticipated advisory committee on rehabilitation, drawn from the voluntary sector of the rehabilitation movement which has been carrying an increasingly heavy responsibility arising from the government's long delay in proceeding with the Social Services Act?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would be happy to take notice of the question on behalf of the hon. lady, who has gone to attend a ceremony at the Governor General's since I could not go myself.

Some hon. Members: Oh, oh!

Mr. Alexander: You did not want to go.

Some hon. Members: Go, go.

Mr. Dinsdale: Mr. Speaker, in view of the fact the Prime Minister has responded for the minister, I will seize another opportunity. The Minister of National Health and Welfare has been good enough to indicate in a letter that she supports the motion I have proposed over a long period of time, calling for the setting up of a parliamentary committee to investigate and report on the state of the rehabilitation arts in Canada in

preparation for the Rehabilitation International Congress to be held in Winnipeg in June, 1980.

In view of the frequent reports revealing drastic deficiencies in treatment facilities and services available to physically and mentally handicapped Canadians, will the minister use her good offices to have this committee set up while this parliament still survives? Perhaps the Prime Minister is knowledgeable in that respect.

Mr. Trudeau: Mr. Speaker, I do not know the details of the motion of the hon. member, but I commend him for his very valuable thoughts in this direction. Certainly I will undertake to pass on his suggestion to our House leader. It would be useful if the hon. member contacted the House leader of the Conservative party.

Mr. Baker (Grenville-Carleton): That has been done.

Mr. Trudeau: Who knows, perhaps between them, with the help of the House leaders of the New Democratic Party and the Social Credit party, they would be able to set up this parliamentary committee. Certainly it will have my approval if it has the approval of those four gentlemen.

* * *

LABOUR DISPUTES

BARGAINING IN DISPUTE BETWEEN INCO AND USWA—REQUEST FOR GOVERNMENT INTERVENTION

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the right hon. Prime Minister. At the moment there is in the Sudbury basin a strike which is in its sixth month. It is between the United Steel Workers of America and Inco Ltd. and 11,600 workers have struck the company.

• (1150)

In view of the fact that it was revealed yesterday, in the latest contribution figures to political parties, by the Chief Electoral Officer of Canada that the Liberal Party of Canada received $20,500 from Inco Ltd., would the Prime Minister be good enough to get in touch with his friends in the boardroom of Inco and lean on them a little so that they will negotiate in good faith with the workers who have been forced into a very untenable position vis-à-vis the strike?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will be happy to make sure that the hon. member's thoughts are conveyed to the directors of Inco. The hon. member might perhaps consider leaning a little bit on the union, because I understand that the New Democratic Party receives very considerable funds, way in excess of $20,000, from the Steel Workers.

Mr. Broadbent: We all select our friends.

Mr. Trudeau: If I were in the position of the hon. member, that of the relying so heavily on the Steel Workers, I would suggest to them that it is probably a very inopportune time to have a strike, when there are excessive stocks of nickel all over the world and particularly in Sudbury.

Mr. Huntington: What about steel?

Mr. Trudeau: I would leave the hon. member, with his friends, to decide if they should not be negotiating in good faith as well.

Mr. Rodriguez: Mr. Speaker, in view of the fact that I am not so concerned about my views becoming known to the board of directors of Inco, because they are already well known, and in view of the fact that any contributions made by the Steel Workers of America to this labour party are made in a democratic process but the contributions of Inco—

An hon. Member: Explain.

An hon. Member: Shame.

Mr. Rodriguez: I understand the sensitivity across the floor. In view of the fact that the contributions of Inco Ltd. are not made with the consent of the shareholders of Inco, I wonder if the Prime Minister—and I would insist, again, that the Prime Minister, in his role as leader of this country, show some leadership in this particular dispute—would get in touch with the directors of Inco Ltd. and insist that they present an offer to the workers which will let them walk away from the bargaining table with some dignity and respect.

Mr. Trudeau: Mr. Speaker, the hon. member knows, or he should know, that labour relations in Inco are not within federal jurisdiction; they come under provincial jurisdiction.

Mr. Rodriguez: You took their money.

Mr. Trudeau: In so far as my asking the directors of Inco to make a particular offer to the union, I have not studied the particular case and therefore I do not know what is a reasonable offer. I do know that when the hon. member talks about negotiating in good faith, he should ask the union members of that particular local to negotiate with some good sense.

* * *

THE SEAL HUNT

REQUEST ACTION BE TAKEN TO PREVENT INTERFERENCE BY GREENPEACE GROUP

Mr. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, my question is directed to the Minister of Fisheries and the Environment. Reports this morning indicate that Mr. Cleveland Amory and his small band of misguided, misdirected people have managed to paint seals in the Gulf of St. Lawrence with red paint.

The minister has issued a permit to Greenpeace to visit the Front of St. Anthony and the Canadian branch of Greenpeace has now turned over that permit to the American branch of Greenpeace. I would like to ask the Minister of Fisheries if he

will now revoke the permit which was given to Greenpeace to visit the Front so that the incident of painting seals with red paint in the Gulf will not happen at the Front and so that fishermen will not be deprived of this income because of the devaluation of seal pelts.

Mr. Jack Pearsall (Parliamentary Secretary to Minister of Fisheries and the Environment): Mr. Speaker, the hon. member has truthfully stated a fact which has taken place. The American protest group on the *Sea Shepherd* did paint a number of seals red in an area 40 miles west of the Magdalen Islands. Eight persons were arrested and are now on board our icebreaker *Wolfe*. A number of charges have been laid, including the charge of interfering with the herd and going within a half-mile of the herd without a permit. The Canadian Greenpeace group does have a permit to observe, but it has been suggested that this permit may have been given to the American group. If this is the case, the permit will be revoked and charges can be laid.

There is one other point, Mr. Speaker, that I would like to make clear to all hon. members. A permit was issued to the Canadian Greenpeace on the basis of one permit to one person for one day. They were to notify us who this party would be. An individual from Boston has been selected and he will be accompanied by one of our enforcement officers. I want to make it clear, Mr. Speaker, that—

An hon. Member: Order.

Mr. Speaker: Order. The hon. member for Hastings.

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LOTO CANADA

REQUEST THAT BELLEVILLE ORGANIZATION RECEIVE ASSISTANCE FROM PROGRAM

Mr. J. R. Ellis (Hastings): Mr. Speaker, my question is for the Minister of State (Fitness and Amateur Sport). One of the most efficient lotteries in the country was the Belleville Yardmen Benefit Fund which did a great deal for the city of Belleville. It was put out of business by the combination of Wintario and Loto Canada. Wintario, in recognizing this fact, contributed an amount equal to the contribution from the Belleville Yardmen Benefit Fund.

Now that the minister has $18 million on her hands, I wonder if she would, in her largesse, do what has been done by Wintario and the Belleville Yardmen Benefit Fund, for Belleville?

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, the $18 million to which the hon. member has referred is to be used in the years from 1980 to 1985. If we listen to the hon. member's leader, there will not be any money at all to talk about at that time.

The hon. member mentioned a private corporation. Perhaps he would be interested to know that Loto Canada does assist those that are non-profit corporations if they wish to take on the job of selling the tickets. These corporations receive $1 for every $10 of tickets which they sell. Many non-profit corporations in this country have been able to raise a considerable amount of money in this way.

Lottario is currently taking in $700,000 a week, and I think I should refer the hon. member to that organization.

Mr. Ellis: Mr. Speaker, just to make my point absolutely clear, the Belleville Yardmen Benefit Fund contributed over $3 million to a sports complex. Wintario, because they realized they had put the yardmen out of business, matched their contribution with another $3 million. They need money to finish the project. I am suggesting that Loto Canada, because they, too, helped to put the Yardmen Benefit Fund out of business, should contribute as well, but not in the form of selling tickets.

Mr. Speaker: Order. Surely the hon. member is making a representation.

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TRANSPORT

TORONTO—REQUEST FOR FUNDS TO IMPROVE TRANSIT SYSTEM

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is to the Prime Minister. In view of the fact that the Minister of Industry, Trade and Commerce tries to tell us that all is now economically well on this election eve, as he did again yesterday, I wonder whether or not the Prime Minister would take advantage of the days, or perhaps weeks, that he has left and fulfil one of his 1974 election campaign promises; specifically, the urban transit funds promised for the expansion and improvement of the transit system in and around metro Toronto.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe this question has been answered many times by the Minister of Transport and myself.

Mr. Stevens: Not properly.

Mr. Trudeau: We were not able to allocate the many hundreds of millions of dollars that we had hoped to allocate to the transit system in Toronto; but funds have been earmarked, some of which are being used around Toronto.

Mr. Jelinek: Mr. Speaker, in that case, could the Prime Minister explain why his minister of sport—I leave out the "amateur" portion of her title because she does not seem to be preoccupied with that area—was prepared to offer $18 million for the construction of NHL arenas to house professional teams which in their own right are making millions, while the government continues to withhold these promised funds from such important areas as urban transit development around one of the largest cities in Canada?

Mr. Trudeau: Mr. Speaker, the hon. member perhaps has not noticed, but the funds from Loto Canada will essentially be used for sports and for culture, and not for building roads.

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ADMINISTRATION OF JUSTICE

EVALUATION STUDY OF GUN CONTROL LEGISLATION—COST THEREOF

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, my question is directed to the Solicitor General. In view of the recent announcement by Supply and Services that a contract has been awarded to Decision Dynamics Corporation of Toronto for an evaluation study of gun control legislation as it refers to Bill C-51, in the amount of $292,400, could the minister tell the House the reason for spending this large amount of money on the study at this time of restraint?

Hon. J.-J. Blais (Solicitor General): Mr. Speaker, as the hon. member knows the question of gun control is one of high sensitivity. He knows very well that in his own area it is one of high sensitivity.

• (1200)

As a result of that sensitivity, I announced recently, and repeated in this House, that we have a firearms advisory council which will be looking at the implementation of gun control legislation. We also felt it would be advisable to see how the implementation was proceeding in order to be able to present changes to the program, if necessary, to make it more effective and palatable.

Mr. Whittaker: A supplementary question, Mr. Speaker. In view of the fact that the minister has announced forming this advisory committee, and in view of the fact that it will apparently have exactly the same functions as the study by Decision Dynamics Corporation, can the minister advise this House and the people of Canada of any logical reason for such a waste of taxpayers' money occurring?

Mr. Blais: Mr. Speaker, it is not at all a waste of taxpayers' money. It is, exactly, an assessment of a very sensitive program. We are very much interested in the impact of gun control both in terms of controlling their use and in controlling criminal activity. Surely the hon. member recognizes that once a study is made and reports are made to the minister, we can take whatever appropriate steps are necessary to improve a system which we feel is very commendable at this time.

Point of Order—Mr. Diefenbaker

HEALTH AND WELFARE

ONTARIO DOCTORS WITHDRAWING FROM OHIP—GOVERNMENT POSITION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Prime Minister, if I could get his attention.

I have learned that the Minister of National Health and Welfare cannot come back here for the question period. This matter goes to the root of government policy, as it affects the universality of medicare and the major cost-sharing agreement with the provinces. Considering that one of the requirements for any province to get its share of funds for medicare from the federal government is that the provincial plan be universal, and considering that about one-fifth of Ontario's doctors have already withdrawn from OHIP as a means of raising their fees by 25 per cent to 30 per cent, will the Government of Canada inform the government of Ontario that the federal government has the right to cut off funds unless reasonable access to medical services, and universality are maintained in that province?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would have to verify the details of the hon. member's statement. The principles introduced by this government and supported by parliament, are those of universality and access.

I said in my early answer that any plan which went against that would lead the federal government to operate sanctions of some kind. I can only give the same general answer, because I do not know the details of the case put by the hon. member. I will certainly take it up with the Minister of National Health and Welfare.

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POINT OF ORDER

MR. DIEFENBAKER—DELAY IN ANSWERING ORDER PAPER QUESTIONS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I rise on a point of order. Parliament can only operate properly if questions asked in parliament are answered within a reasonable period of time.

Yesterday Your Honour made a ruling that he had taken a certain step because of the fact that a committee of this House had made the recommendations as to the guidelines, and therefore he took it upon himself to decide that certain broadcasts should not take place. I mention that because through the years parliament, over and over again, has declared both effectively and traditionally that there shall not be unreasonable delays in the answering of questions.

I brought this matter to Your Honour's attention a couple of weeks ago and you very properly said that you had no authority to take any action but that you would look into the question. What I am dealing with is, to me, one of the most reprehensible examples on the part of the government of its efforts to hide the facts. I brought this matter to the attention

of the House several weeks ago. Since then there has been no action thereon and I must therefore repeat once more the questions that were asked three and a half months ago.

Question No. 576 placed on the order paper on November 14 reads as follows:

1. Was an order made that files containing secret or security information were not to be released until the expiry of 30 years and, if so, on what date?

There was such an order and date. I have it at the moment. The question continues:

2. Has the government decided that all files in connection with the Gouzenko revelations of 1945-46 shall not be released now and, if so, for what reason and on what basis?

3. Is the government aware of a press report that the reason given for non-production is "That they might hurt some people now living"?

4. Were any such individuals then or thereafter or since Cabinet Ministers?

Another question, No. 611, was asked in connection therewith on November 22 as follows:

1. In consequence of Mr. Igor Gouzenko's revelations, how many individuals were prosecuted and (*a*) who were they (*b*) what happened in their respective cases?

2. How many named in the revelations were not prosecuted and for what reason?

3. With the termination of the 30 years during which secret documents are not revealed, for what reason is an exception being made in connection with his revelations?

Sir, I have been here a long while, almost 39 years, and I have never known a case to equal this in which concealment is the obvious purpose of the government in not answering. What is the reason for the concealment? They are very simple questions. Parliament becomes effete unless answers are given to questions within a reasonable time.

In addition, I asked a question on February 6, No. 1,032 on the order paper, as follows:

1. Did the government give its consent to the Government of France to confer on Dr. William Jaffe the Légion d'Honneur and, if so, on what date?

2. Did the government give its consent to the granting of the Award, some time ago, of Chevalier of the Order of the Légion d'Honneur on Premier Lévesque and, if so, on what date?

Why was that question not answered? It is not a long delay, only a month, but it would take about five minutes to answer if the government desired to answer it.

I endeavoured to have you, sir, as custodian of the traditions of parliament, as you made clear yesterday, to do something and you said nothing could be done. Why is this government hiding information? It has been three and a half or almost four months since these questions went on the order paper. What are they afraid of? There can be no excuse whatever for this kind of Star Chamber action.

We approach an election, I believe, at some time. Why have members of this government who posed as lambs now become rabbits when it comes to answering simple questions? Who is covering up? I repeat—you cannot do anything, you have made that clear—the House and the country has the right to know that the failure to answer these questions in three and a half months indicates a government that cannot be believed. That is what we have found here over and over again.

[Mr. Diefenbaker.]

This is an example of simple questions that could be answered. Is the government waiting for dissolution? How many months do we have to wait? Are they waiting to allow this session of parliament to end because they have no reason to believe they are frightened of the answers if they are given to the Canadian people?

[*Translation*]

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the right hon. member referred in particular to two questions indicated by an asterisk, namely, question No. 576.

● (1210)

[*English*]

Mr. Diefenbaker: I want an answer from the government, not from one of the underlings.

[*Translation*]

Mr. Pinard: However, I expected from the right hon. member a minimum of respect for this institution which we, government members, have always respected. He also read question No. 611 bearing an asterisk. Then he referred to another question he claims he had put on the order paper sometime in February, which I cannot track down because he failed to mention the number.

Mr. Speaker, what I find unacceptable in the remarks of the right hon. member is his insinuations to the effect that we, on this side of the House, have something to hide, while in fact our attitude proves quite the contrary. If I may refresh the memory of the right hon. member for Prince Albert (Mr. Diefenbaker), in the last two sessions we answered, to my knowledge, about 90 per cent of the thousands of questions put on the order paper. In so doing we also try to get maximum information. I see the right hon. member is not interested in knowing the facts; yet he complains about our hiding them, Mr. Speaker. There he goes making gestures which would indicate that he is not interested in knowing the truth about the matter. I am giving him the information requested and I ask him to have the decency and politeness to listen.

Mr. Speaker, the right hon. member knows full well that during a session, when we try on this side of the House to get all the information and give answers that are as complete as possible, we manage to keep up a 39 to 42 per cent rate of reply. Then, during the summer recess, we usually manage to give answers to about another 40 per cent of the questions on the order paper so that, come fall, towards the end of September or in October, when the new session starts, we have by then answered 90 per cent of all questions on the order paper.

The right hon. member should know that an average of some 4,000 to 5,000 questions are listed each year on the order paper. He should also know that of those, several are referred to dozens or even some forty departments or government agencies and that each question that is so channelled costs,

today, in 1979, in this day and age, an average of $100 each to every agency or department concerned.

I have always maintained in this House, however, that it is not a matter of money or of judging whether the question of the hon. member is stupid or not. We treat all questions on the same footing. As they are put, they are referred to the departments and agencies concerned, and as soon as we get all the information requested, we answer them. Everyday, I answer some question or other on the order paper and we print them without discrimination.

The right hon. member should know that what he is trying to do today is unfair to his colleagues on both sides of the House. It is unfair to stand in this House and bring up the matter every two or three weeks. He has just done so now, and did it three weeks ago. He had three questions put on the order paper which bore an asterisk as our standing orders allow. We have already answered one third of those questions. We answered his question bearing an asterisk about fifteen days or less than two weeks ago.

There are two other starred questions and we are dealing with them seriously. Mr. Speaker, if other hon. members did not respect this institution more than he does and if we had to rise every day to read questions on the order paper, the House would continuously hear the same thing. We can read them in the order paper. We do the necessary research work, we give the answers, and each hon. member is put on an equal footing. I have deep respect for the right hon. member for Prince Albert but I have as much respect for the hon. member for Verdun (Mr. Savard) who is here or for the hon. member for Winnipeg North Centre (Mr. Knowles). Everybody here is put on an equal footing. There is no preference. Each question is considered seriously. Once again, finally, I hope that the right hon. member will understand that we have nothing to hide. We showed in the last few years that we answer 90 per cent of the questions on the order paper, which demonstrates the very opposite of the innuendos of the right hon. member for Prince Albert, which are unfounded.

I take this opportunity, Mr. Speaker, to tell the right hon. member, once and for all, in a very polite and respectful manner, in reply to his point of order, that he is complaining of certain anomalies in the standing orders. I once told him, about two years ago, that he was complaining about 1/116th of the problems we are faced with in this House. There are 116 House standing orders, Mr. Speaker. There is a need here for an in-depth revision not only of one rule but of all the standing orders of this House. If he and his party seriously wished to sit down and discuss the changes required to modernize this institution and make it more efficient, I would be the first to support his efforts. But as long as he behaves in this manner, wasting our time by reading his own questions on the order paper, complaining without reason and insinuating that we, on this side of the House, are seeking to hide the truth, I cannot consider that he is acting in good faith and it would be very difficult for me to sit down with him in a positive attempt to reform this institution in such a way that it would reflect our times, prove to be more efficient and give a new meaning to our role as members of parliament.

[*English*]

Mr. Speaker: Order, please. The right hon. member has raised a grievance by way of a point of order with respect to the answering of questions and the parliamentary secretary has responded. The matter does not seem to me to be able to go any further at this time. It is a well-known grievance.

Mr. Diefenbaker: False is the nature of the government.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

NATIONAL RESOURCES AND PUBLIC WORKS—FIRST REPORT OF STANDING COMMITTEE

First report of Standing Committee on National Resources and Public Works—Mr. Leblanc (Laurier).

[*English*]

JUSTICE AND LEGAL AFFAIRS—THIRD REPORT OF STANDING COMMITTEE

Mrs. Simma Holt (Vancouver-Kingsway): Mr. Speaker, I have the honour, on behalf of the hon. member for Windsor-Walkerville (Mr. MacGuigan), to present the third report of the Standing Committee on Justice and Legal Affairs.

[*Translation*]

LABOUR, MANPOWER AND IMMIGRATION—SECOND REPORT OF STANDING COMMITTEE

Second report of Standing Committee on Labour, Manpower and Immigration—Mr. Savard (Verdun).

[*Editor's Note: For texts of above reports see today's Votes and Proceedings.*]

* * *

[*English*]

POINT OF ORDER

MR. KNOWLES (WINNIPEG NORTH CENTRE)—INTERVAL BETWEEN REPORTING OF BILLS AND PROCEEDING TO REPORT STAGE

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order with respect to further proceedings on a couple of bills that have just been reported. I do so, Your

Honour, because it has been in the usual way that the government might like to proceed on Monday with one of the bills that has been reported today.

I draw Your Honour's attention to the fact that this problem has arisen on previous occasions, and you have ruled that if a bill is reported on Friday it is hardly fair to proceed with the report stage on Monday because we do not have the reprint of the bill in time and the chances of getting report stage amendments filed are very slim.

I would hope that there would be no effort to call the report stage of either of these bills on Monday. I will not take time to read the rules but I think there is some ambiguity; one rule says that it can be done 48 hours later and another rule says that you have 24 hours in which to file report stage amendments. That envisages the usual wait for something filed on Monday that can have amendments filed on Tuesday and be debated on Wednesday.

As I say, on previous occasions Your Honour has ruled that it was unfair. I think you took the position that unless there was unanimous consent, the report stage of a bill, reported on a Friday, should not be proceeded with until Tuesday.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I am aware of the problem which the hon. member for Winnipeg North Centre (Mr. Knowles) speaks about. I say to the Chair, so that the Chair understands, that if we are pressed we could go ahead on Monday, but it would be with inconvenience in terms of putting down amendments, as the hon. member for Winnipeg North Centre has said. However, if we are pressed we can do so.

Perhaps the parliamentary secretary to the government House leader could consider the problem from the point of view of time, if that is a problem, and perhaps we could agree on what we might deal with on Monday and if it is possible to have something else come forward. But I want to say to the parliamentary secretary, because he must plan the business, that we are prepared to go ahead on Monday unless that should prove inconvenient for the government or for someone else in the House.

● (1220)

[*Translation*]

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, it is obvious that our rules in their present form allow us to proceed next Monday with the study of one of those two bills that have been reported today. In fact, considering the urgency of the situation, we intend to call the energy bill on Monday.

I think we are going to make the necessary arrangements to deal with the problem raised by my hon. colleagues. We are now making all possible efforts to reprint the bill in order to make it available to all parties as soon as possible. Considering the time required to reprint this bill, I shall consult the representatives of each party in the House to concretize and finalize our intent to call Bill C-42 on Monday.

If the members of the Standing Committee on Natural Resources and Public Works were able yesterday evening to sit until one o'clock in the morning, it indicates that if we proceed rapidly enough today we might ensure that the bill be reprinted and that we could, if only out of respect for the exceptional work done by the members of that committee, proceed diligently considering the urgency of this bill, as the Deputy Prime Minister indicated this week, so that we may call it, as I said, next Monday.

[*English*]

Mr. Speaker: I do not have in front of me the precedent to which the hon. member for Winnipeg North Centre (Mr. Knowles) referred, but I do recall dealing with it on a previous occasion. I know at that time I drew on some very sympathetic reasoning from my predecessor. If I am not mistaken, the action of the Chair, faced with these actions previously, had been to discourage, except under the most necessary circumstances, the calling of the bill for third reading on Monday. I do not know if the Chair has ever said—

Mr. Knowles (Winnipeg North Centre): Report stage.

Mr. Speaker: I am sorry, the commencement of report stage when the bill was reported on a Friday. I do not know that any of the pronouncements, and I will have to look at them, really say that that cannot be done technically; I do not know if they have gone that far. I am not prepared now, without further examination, to make a decision as to whether or not technically that can be done. I rather think the precedents have been such as to say it would appear on the face of them that technically it can be done.

A bill reported on a Friday can be called on Monday in the strict interpretation of the language of the standing order, but because of difficulty that it places on members who wish to propose report stage amendments it is a practice that ought to be discouraged. If it is going to be done in necessitous circumstances, some arrangement should be made, as has just been offered by the parliamentary secretary, to at least come to some accommodation with those members who wish to table report stage amendments in some way, perhaps by extending the agreed deadline for the filing of amendments to a later hour in order to give them the opportunity to examine the text. Anyone who proposes a report stage amendment surely ought to be able to read the reprinted text of the bill, which is, after all, the bill they are proposing to amend. They should have some time to study and prepare their amendments.

If I am not mistaken, the reasoning of the Chair has always been not necessarily a definitive interpretation against this right of the government to proceed in this way, but rather an indication that, because of the extraordinary circumstances, if the government does feel it has to rely on the technical interpretation to do this, it ought in some way to reach out and make an accommodation with members who wish to file report stage amendments. It would certainly be expected that the House would give its consent to any alternate arrangements to make that a little more sensible. I certainly hope that that can be done. If there is any way that the Chair can co-operate with that, we certainly will.

* * *

[*Translation*]

OFFICIAL LANGUAGES ACT

SUPREMACY OF STATUTE OVER OTHER FEDERAL LINGUISTIC PROVISIONS

Mr. Eymard Corbin (Madawaska-Victoria) moved for leave to introduce Bill C-465 an Act to amend the Official Languages Act (supremacy of the Act).

Some hon. Members: Explain.

Mr. Corbin: Mr. Speaker, this bill aims at emphasizing the compulsory nature of the Official Languages Act and its preponderance over all other language provisions contained in other acts and regulations of parliament and the Canadian government, as recommended by the Commissioner of Official Languages in his annual report for 1978.

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

* * *

[*English*]

POINT OF ORDER

MR. BAKER (GRENVILLE-CARLETON)—COMMODITY TAX REVIEW GROUP REPORT—REQUESTED REFERENCE OF REPORT TO STANDING COMMITTEE

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I rise on a point of order. During the course of the House business yesterday, a matter was raised with regard to the commodity tax review and the reference of that matter to a standing committee of the House.

As the parliamentary secretary knows, I raised this matter on a number of occasions during regular House business discussions. The hon. member for York-Simcoe (Mr. Stevens) has raised it. Indeed, the importance of it has been raised as part of the process in the question period. Yesterday this matter was put down so that it is now a government motion. It is an exceedingly important motion.

In his comments yesterday to the hon. member for York-Simcoe the government House leader indicated that it would be inappropriate for that to be done since the Standing Committee on Finance, Trade and Economic Affairs had a full plate and could not deal with the matter. We indicate our anxiety that this be done to the point that we are prepared to agree that, if that reference is made today, that reference could go without debate. Because it is extremely important that the matter get to the committee.

If the government needs any suggestions with regard to how it might be dealt with by the committee, I remind the parliamentary secretary that the miscellaneous estimates committee, for exactly the same reason, namely burden of work, split itself into subcommittees to deal with a specific matter. I suggest that is not beyond the ken of the finance committee.

I would ask, request, plead, that the commodity tax review report be sent to standing committee. It is important to a whole host of industries and people in this country. People have been crying for that review. The government had indicated in a document that it is being reviewed by a standing committee when we all know it is not being reviewed. I give an undertaking on behalf of this party that if it is sent to the standing committee, we will not debate the motion. If it can be called today, it will go without debate.

The government has some responsibility in this, not merely to be at the behest of the standing committee, but to direct that this matter go to the standing committee and that it be dealt with there. The standing committee is a servant of this House. I give that undertaking now publicly to the parliamentary secretary because it is important we get on with this work and not stall any longer.

[*Translation*]

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): The representations made today by the hon. member are quite similar to those he made yesterday and about which he received an excellent reply from the Prime Minister or the Deputy Prime Minister. In any case, I shall take note of these representations and advise the House leader in good time. The hon. member suggested that perhaps we could agree to refer this matter to the committee tomorrow, which is, of course, a mistake on my part since we shall not be here tomorrow, but at the beginning of next week, the Deputy Prime Minister will definitely be able to come back to this matter and discuss it with the hon. member.

I would simply like to draw the attention of the hon. member once more to the fact that the matter now before the Standing Committee on Finance, Trade and Economic Affairs is most serious since it also concerns the Bank Act, and the committee has a lot of work to do. I may be wrong, but it seems to me that the report mentioned by the hon. member does not specify that the subject matter must be referred to the committee. On the contrary, this report suggests that such referral will be considered once the subject has been brought to the attention of the committee.

In any event, Mr. Speaker, I shall take note of these representations and early next week we shall probably be able on our side to reply further to the hon. member on this important matter.

* * *

● (1230)

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 396, 424, 500, 906, 1,021, 1,022 and 1,147.

[*Text*]

EXTERNAL AFFAIRS—FOREIGN SERVICE OFFICERS

Question No. 396—**Mr. Masniuk:**

What are the names of the individuals who joined the Department of External Affairs as Foreign Service Officers (FSO) during the year 1968?

Mr. Louis Duclos (Parliamentary Secretary to Secretary of State for External Affairs): In so far as the Department of External Affairs is concerned, the reply is as follows:

B.I.M. Applebaum	W.G. Licari
S. April	T.P.J. Lonergan
R.D. Auger	I.W. McLean
A.P. Bissonnet	G.L. Ohlsen
A.G. Bolduc	D.P. Richards
J.P. Carrier	J.M. Robinson
A.L. Després	G.J. Sleeth
J.R.W. Fieldhouse	G.J. Smith
L.E. Green	P.J. Thibault
I.M. Hall	L.J. Villeneuve
H.G. Korn	D.E. Waterfall

NAWAPA

Question No. 424—**Mr. Brisco:**

1. Was NAWAPA referred to the International Joint Commission for their study or review and, if so, what were the decisions or conclusions reached by the Commission?

2. Has the cabinet or any past or present Minister been asked by any provincial or other authority to consider or comment on the NAWAPA proposal and, if so, what were their views or opinions?

Mr. Louis Duclos (Parliamentary Secretary to Secretary of State for External Affairs): 1. No.

2. External Affairs records show that in 1965 the Honourable R.G. Williston, British Columbia Minister of Lands, Forests and Water Resources, wrote the Hon. Paul Martin, Secretary of State for External Affairs, to express his province's strong opposition to the NAWAPA proposal. Mr. Martin took note of British Columbia's stand, but reserved his own position on the proposal, which preliminary federal study had shown to offer no benefits to Canada that could not be derived from a more limited development primarily in Canada. The Hon. Judy LaMarsh, Secretary of State, said in the House of Commons on April 3, 1967, "The NAWAPA, Grand Canal and other suggested schemes diverting water to the United States are based on the as yet unestablished assumptions that there is an economic demand for Canadian water in the United States, that Canada has a surplus, over and above its own requirements, with which it might supply this demand, or part of it, and that it would be in Canada's national interest to export water to the United States." Since then, the NAWAPA scheme has not been raised as an issue and is not an active subject within the federal government at this time.

CMHC—LAWYERS RETAINED IN VICTORIA

Question No. 500—**Mr. McKinnon:**

What were the names and addresses of all lawyers and law firms in the Constituency of Victoria who performed services for Central Mortgage and Housing Corporation during 1977 and, in each case, what was the total amount paid?

Hon. André Ouellet (Minister of Public Works and Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation as follows: CMHC retained the lawyers listed below to handle mortgage documentation for loans approved in the Metropolitan Victoria area in 1977:

Name	Location
Cecil O. D. Branson	Victoria
R. B. Hutchison	Victoria
Michael J. O'Connor	Victoria
T. P. O'Grady, Q.C.	Victoria
Ian H. Stewart	Victoria

Legal fees in connection with Central Mortgage and Housing Corporation direct loans are paid by the borrower and CMHC, therefore, has no record of the amounts paid to these lawyers.

The following lawyers were retained to handle legal actions for 1977 in the Metropolitan Victoria area:

Name	Location	Legal Costs and Fees
Ray, Wolfe, Connell, Lightbody and Reynolds	Vancouver	nil
Cox, Taylor and Company	Victoria	nil

Where actions are settled prior to trial, the costs are paid by the borrower and Central Mortgage and Housing Corporation has no records of the amounts.

TRANS-CANADA HIGHWAY—BANFF

Question No. 906—**Mr. Bawden:**

Has consideration been given to adding maintenance and sanding equipment to ensure the safest possible conditions on the Trans-Canada Highway between the east Banff Gate, the Town of Banff, the Sunshine turn off and Lake Louise?

Hon. James Hugh Faulkner (Minister of Indian Affairs and Northern Development): At present maintenance operations (including sanding) on the Trans-Canada Highway in Banff National Park are provided on the basis of 12 hours per day,

seven days per week with call outs on off hours as required. Adequate equipment is available for this operation.

SUPPLY AND SERVICES—VIBRATION AND SHOCK TESTING

Question No. 1,021—**Mr. Huntington:**

1. What are the names of the companies, their addresses and amounts of each bid on Department of Supply and Services Contract 09SD, 97701-7-46309 (8SD 77-09061), "Vibration and shock testing"?

2. Who was the successful contractor, and what was the amount of the bid?

3. Was the contract awarded to a Canadian bidder and, if not, for what reason?

Hon. Pierre De Bané (Minister of Supply and Services):

1. Dayton T. Brown Inc.,

Church Street,

Bohemia,

Long Island, New York 11716

U.S.A.

This company submitted a bid in the amount of $9,625.00 U.S.

2. Same as above.

3. No. This company is the only known commercial laboratory in North America with capabilities and experience in testing external stores (SUU-20 MOD Bomb and Rocket Dispenser) to U.S. specifications.

SUPPLY AND SERVICES—STATIC LOAD TESTING OF LAUNCHERS

Question No. 1,022—**Mr. Huntington:**

1. What are the names of the companies, their addresses and amounts of each bid on Department of Supply and Services Contract 09SD, 97701-7-46310 (8SD 77-09062), "Undertake static load testing of two LAU—5003/A launchers"?

2. Who was the successful contractor and what was the amount of the bid?

3. Was the contract awarded to a Canadian bidder and, if not, for what reason?

Hon. Pierre De Bané (Minister of Supply and Services):

1. Dayton T. Brown Inc.,

Church Street,

Bohemia,

Long Island, New York 11716

U.S.A.

This Company submitted a bid in the amount of $4,545.00 U.S.

2. Same as above.

3. No. This company is the only known commercial laboratory in North America with capabilities and experience in testing external stores (LAU5003/A Rocket Launcher) to U.S. specifications.

Order Paper Questions

BUREAU OF INTERNATIONAL CULTURAL RELATIONS

Question No. 1,147—**Mr. Jones:**

1. What is the purpose of the creation of a Bureau of International Cultural Relations? Under whose auspices will this bureau be?

2. Will this Bureau be taking over responsibilities of any other programmes and if so, name them. What will the relationship of this Bureau and Canadian missions abroad be?

3. Who has been appointed to this Bureau and what are their qualifications? What will be their respective responsibilities?

4. Does the creation of this Bureau of International Cultural Relations represent any elimination of jobs from programmes which have been taken over and if so, how many? Does the creation of this Bureau of International Cultural Relations represent any reduction in the annual budget of the Department of External Affairs and if so, how much?

Mr. Louis Duclos (Parliamentary Secretary to Secretary of State for External Affairs): 1. The Bureau of International Cultural Relations in the Department of External Affairs was created as a distinct entity to reflect the increasing importance attached to projecting Canada's cultural image abroad in support of Canadian foreign policy objectives. As is the case for all bureaux in the department, the Bureau of International Cultural Relations reports through the Under-Secretary to the Secretary of State for External Affairs.

2. The Bureau of International Cultural Relations is comprised of the academic relations division, cultural affairs division and historical division, all of which formerly formed part of the Bureau of Public Affairs. The new bureau will not be taking over the responsibilities of any other programs. Its relationship with Canadian missions abroad will continue to be one of close co-operation in promoting Canada's cultural image abroad.

3. Mr. Gilles Lefèbvre has been appointed to the new bureau. Formerly director of the Canadian Cultural Centre in Paris he studied music in Ottawa and Paris and gained an international reputation for his work with "Jeunesses musicales du Canada", which he founded in 1949, and the Orford Arts Centre which he also established. He has served five terms as president of the "Fédération internationale des jeunesses musicales" (36 countries are members) and was president of the Canadian Conference of the Arts from 1970 to 1972. His responsibilities will be those of director general of the bureau.

4. No programs were abolished. The creation of the new Bureau of International Cultural Relations does not represent any reduction in the annual budget of the Department of External Affairs.

[*Translation*]

Mr. Pinard: I ask that the remaining questions be allowed to stand, including the questions by the right hon. member for Prince Albert (Mr. Diefenbaker).

[*English*]

Mr. Speaker: Is it agreed that the remaining questions be allowed to stand?

Some hon. Members: Agreed.

Point of Order—Mr. Pinard

[*Translation*]

POINT OF ORDER

MR. PINARD—BILL C-29—REFERENCE TO COMMITTEE OF THE WHOLE

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): Mr. Speaker, last night at the time of the adjournment debate I rose on a point of order about the business of the House for today and I referred at that time to the consent of the representatives of all parties on Bill C-29. You will recall, Mr. Speaker, it was agreed previously in the House to end the second reading stage on this bill.

The motion is to be introduced in the House today and there is agreement among parties, and that was recognized last night, as reported in *Hansard*, for the motion to be amended so as to provide that the bill in question now be considered in committee of the whole rather than in a standing committee. There is agreement for that to take place without a vote; there is also agreement, Mr. Speaker, on all the amendments that will be brought in during consideration of the bill in committee of the whole and subsequent stages, and there is also agreement, of course, to have the bill put through all stages without a vote. So I would like it to be made an order of the House that, in short, we would proceed today by unanimous consent with the consideration of Bill C-29 in committee of the whole, and there is agreement for that bill to go through all stages without a vote as the representatives of the parties are fully agreed on the amendments that could be made to the bill.

[*English*]

Mr. Walter Baker (Grenville-Carleton): That is quite agreeable to us. I think the House should commend the work which has been done by all the party representatives to bring some finality to this legislation.

Mr. Stanley Knowles (Winnipeg North Centre): I join in that word of commendation. As to the proposal that we should go into committee of the whole, I argued for this last night and I have not changed my mind.

[*Translation*]

Mr. Léonel Beaudoin (Richmond): We agree, Mr. Speaker.

[*English*]

Mr. Speaker: The House is, of course, under an order with respect to the second reading stage dated March 6, 1979. That order would have to be varied so as to accomplish the purpose now set out, that is, reference to the committee of the whole House. The House had given its consent to such a course and it is with the consent of the House that an amendment is made to the second reading motion so that the bill may now be referred to the committee of the whole. Hon. members will deal in committee of the whole with the amendments of which the Chair now has notice.

[Mr. Speaker.]

Is it the pleasure of the House to adopt that course?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

NATIONAL HOUSING ACT

MEASURE TO AMEND

The House resumed, from Tuesday, March 6, consideration of the motion of Mr. Ouellet that Bill C-29, to amend the National Housing Act and the Central Mortgage and Housing Corporation Act and to make other related amendments, be read the second time and referred to committee of the whole.

Motion agreed to, bill read the second time and the House went into committee thereon—Mr. Ethier in the chair.

On clause 1—

Mr. McGrath: Mr. Chairman, it is customary to hear from the minister on clause 1. We know he is conciliatory and that he is such a reasonable minister today, so we would like to hear from this new minister.

Mr. Ouellet: At the beginning of the discussion on clause 1 I should like to say I very much appreciate the co-operation which has been extended to me by the housing critic for the official opposition, by the housing critic for the New Democratic Party and by the hon. member for Bellechasse. Along with a few other members of parliament and research assistants to the Conservative caucus, they worked yesterday and the day before to deal with some possible amendments to this bill and I am happy to say that the input which has been made by both sides will, in my view, have the effect of improving the measure. I believe an amendment will be forthcoming to clause 1 and that we are ready to accept it.

Mrs. Pigott: Mr. Chairman, I should like to move an amendment to clause 1, but before I do so I would thank the minister for the remarks he has just made.

Nevertheless, I feel it is important to put certain observations on record. A year ago last February, I think it was, the minister met with the provinces and outlined changes he thought should take place in the National Housing Act. Hon. members will recall that last April there was a scare, or mini-scare, about an election. At that point certain pronouncements were made. We waited to see what would happen; we hoped legislation would be brought before the House. I think it was last November or December that we heard there were to be changes. Again we waited. It was only two weeks ago that the House began serious consideration of this important bill on second reading.

History has shown that when we go through the proper procedures with respect to a bill we usually get a good piece of

legislation. I must say I feel very sad we are not able to consider this measure in the standing committee following second reading. I do not like to be negative after all the good times we have had in the last two days, but there are three things which concern our side very greatly.

Housing has not been a priority of this government or this situation would not have arisen. I refer to the fact that we are suddenly obliged to forgo committee meetings on this important subject. We on our side wanted these committee meetings very much.

Mr. Chairman, there are three things we wanted to discuss. We wanted to discuss this whole graduated mortgage payments system. We think this is a departure from what we would have done.

● (1240)

We had hoped that in committee we could have studied AHOP, which was a good program. We felt that some things should have been studied so that we could find out why there has been a high default rate recently. I feel very sad that we could not bring in witnesses and that we could not have the time to find out what happened to AHOP.

We had hoped to study the good parts and the weak parts of the program in relation to this new program. Even yesterday all members of the House received a booklet put out by the ministry with respect to the graduated mortgage payment, as if it already was approved. We have not even had time to discuss it. I am new in this area, but I come from a management background and the most important thing about putting out a new product is that it be test-marketed. Products should be evaluated. There should not be mass distribution of something until it has been analysed.

I am worried because we did not spend some time after second reading having proper committee meetings. There are some very fine experts we on this side wanted to bring in. I would have liked to have heard about the graduated mortgage payment from all those people who would have been affected. I would have liked to study that, but we had only two days discussion of it and now we are in committee of the whole. I do not think that is right. I recognize that the minister has politics on his mind, and I understand that. I have had politics on my mind this week too, but I say that the graduated mortgage payment really should have been studied.

We on this side have a few amendments to move. My amendment is about housing projects, and part of my amendment reads as follows:

—"housing project" means a project consisting of one or more houses, one or more multiple-family dwellings, housing acommodation of the hostel or dormitory type, two or more condominium units or any combination thereof, together with any public space, recreational facilities, commercial space and other buildings appropriate to the project, but does not include a hotel;—

I think this has been a very sad part of the history of the Central Mortgage and Housing Corporation in the last few years. We had hoped to talk with the minister and his officials in committee about bringing in the Auditor General to look at what really happened in this hotel area. We on this side happen to feel that the Central Mortgage and Housing Corporation has had a very fine and admirable reputation over the years.

We are concerned about articles in the newspapers and other things which suggest that Central Mortgage and Housing Corporation has not been what it was in the past, and there are several areas we had hoped the minister would agree to look into with us.

I feel that I should put these matters on the record now because I had hoped to ask for a report and an investigation into all hotels and large projects. I had hoped that we could have had a full discussion with the minister and perhaps the Auditor General about the policy of Central Mortgage and Housing Corporation with regard to the disposal of assets. I do not think people realize the extent of the rental holdings of Central Mortgage and Housing Corporation with respect to a project called Cloverdale in the province of Quebec. We feel that it is very important that CMHC be removed from this now. It is not in the business of being a landlord, but how can CMHC dispose of these assets? Who does the appraisals?

I have had some rather horrendous experiences recently with respect to appraisals when dealing with the National Capital Commission, and I feel that this is a matter which should be investigated. Who does the appraisals? Is the Appraisal Institute of Canada the right one to use? The Appraisal Institute of Canada has had a checkered history.

I think there should be an investigation of low rental projects. Are they really low rental projects? I would like to find out whether some of the stories I hear are true. I am not blaming CMHC, but if projects have been built under its jurisdiction, I want to know whether they are supervised afterwards and whether they are really low rental projects.

Another project which should be investigated is the project in Hamilton known as 150 Sanford. That one should be cleaned up and put to rest.

We should also talk to the minister—and the Auditor General should take a look at this—about the computer programs at CMHC. This matter should be investigated using the Auditor General's new assessment of value for money.

Before we get into the amendments, as spokesman on my side of the House I must say that I feel very badly that we did not have adequate time to go into these areas. For example, the hotel matter should be investigated, cleaned up and wiped away so that the reputation of CMHC can be retained.

My colleague, the hon. member for Selkirk, will be speaking about another amendment. One of our amendments deals with tragic AHOP cases regarding quality problems. One amendment which I think we worked out with the minister has to do with warranties. I understand that the minister will be speaking about this and about what we can do to rectify some of the serious mistakes of the past. We want to see that consumers perceive CMHC as what it is, a lending agency and an insurer of loans. CMHC is not necessarily in the building inspection business.

I think my time is almost up. When the NHA changes came before the House, we felt we should have adequate time to talk about the future of urban planning in this nation. We recognize that the ministry has to cease. It has not met its mandate, it has failed; but we still believe it absolutely essential that we have long range plans, policies and strategies for urban living.

We know that in the coming years more and more people will be living in cities, and we must make certain that they are liveable cities. There have been some magnificent studies done in the Ministry of State for Urban Affairs, but tragically they have not been converted into policies and strategies. We feel very strongly that we should have had time to go into this in committee. Cities are not planned quickly. There should be 50 and 100-year plans for cities. That is vital and important. Young as this nation is, we want to be certain that the cities of the future are planned properly.

We should have had time to study with the minister and his officials some of the sad stories regarding CMHC, and we should have had time to talk about the future role of CMHC. What should the future role of CMHC be? It has changed and evolved. Companies always change and evolve. We should have talked about CMHC. Should it continue to be a mortgage company which takes risks, or should it just be an insurer of other people who take risks? These things should have been discussed and planned. I feel sad that we did not have time to do that because shelter and the kinds of cities we live in are matters of vital importance to us on this side of the House. Therefore, Mr. Chairman, I move:

● (1250)

That Clause 1 of Bill C-29 be amended by striking out lines 4 and 5 on page 1, and substituting therefor the following:

1. Section 2 of the National Housing Act is amended by repealing the definition of housing project and substituting therefor the following: housing project means a project consisting of one or more houses, one or more multiple-family dwellings, housing accommodation of the hostel or dormitory type, two or more condominium units or any combination thereof, together with any public space, recreational facilities, commercial space, and other buildings appropriate to the project, but does not include a hotel;

1.1 Paragraphs 3(a) and 9(b) of the said act are repealed and the follow-

I will conclude my remarks by saying that when we come to clause by clause consideration of the bill, we will speak more on the amendment I have moved.

The Assistant Deputy Chairman: The committee has heard the amendment of the hon. member.

Mr. Rae: Mr. Chairman, it has been said that nothing concentrates the mind of a man more than the prospect of hanging. I can say, with respect to this bill, that nothing has so concentrated the mind of the minister as the prospect of an election.

That being said, I want to join in the sugary part of these proceedings by saying that I appreciate the courtesy which has been offered to me and to people in my office as a result of the amendments which we intended to make and the efforts which the minister has made to have them incorporated in the bill.

[Mrs. Pigott.]

I do not want to make a lengthy speech because we have agreed to certain limitations with respect to time, but I do want to emphasize that we in this party lament the tendency on the part of the government to allow its housing policy to become an insurance policy. We lament the fact that the Department of Urban Affairs has been abolished and, as I said in the committee some three months ago, it seemed to us that at a time when more and more Canadians were being confronted with problems in urban areas it was the height of irresponsibility for the government to abandon that critical field.

That being said, we do not agree with the basic thrust of the policies of the government. We recognize the importance, in the face of the legislation that has been put forward, of attempting to be as constructive as possible. The efforts we have made have really been twofold. First of all, we have tried to provide for the possibility, at least, of land assembly programs being continued by our municipalities and provinces by allowing the federal government to guarantee certain loans. We regret the fact that the government has abandoned its land assembly grants program to municipalities. We know for a fact that this has affected the ability of many of our city governments to put an end to land speculation and to construct housing on their own.

The second major thrust of our amendments which we will be putting forward later in the day has to do with taking out the statutory monetary limitation that is currently in the bill on the community service grants program. We think, as a matter of principle, it is a mistake for the government to have limited the amount of money to $250 million. When you include the loan portion that is currently available under NIP grants, you find there is no comparison between the government's efforts made under the community service grants program and the efforts previously made under previous divergent programs.

The over-all impact of the community service grants program will be that fewer funds rather than more funds will be allocated, not only for improvement of neighbourhoods but also for the construction of sewage projects, and so on. Therefore, we have argued that the monetary limits should be taken out and made subject to a review which it will be possible for the government to carry on, one that other governments could carry on in the event that other people are sitting on that side of the House, which, it seems to me, provides for the kind of flexibility we need.

I do not think there is any need to make a long speech. We indicated our views at length on second reading and so has the Conservative party. We take issue with the Conservative party's basic position on housing and we also take issue with the Liberal party's position on housing. As we enter the election period, it is perhaps best to leave it to Canadians to decide whose policy makes the most sense.

Mr. Whiteway: Mr. Chairman, here we are on March 9, in the House of Commons in committee of the whole, with that great spirit of co-operation and agreement. Today we feel that the minister, my colleague from Ottawa-Carleton, my col-

league from Broadview and I could go down to the United Nations and solve their problems and reach an agreement in that spirit of co-operation. That is the spirit in the House today, and it is reflected by the sunshine on this, the warmest and nicest day we have had here in Ottawa in four months.

However, there still remain sharp differences between the Liberal approach to housing and urban affairs, the approach of members in the P.C. party and certainly that of the NDP. But I want to point out to the minister and to hon. members here what we on this side are giving up, in this spirit of co-operation, to get this bill passed. We have agreed to do it, but I want hon. members to know what we are giving up.

We are giving up the chance in the standing committee of the House to question the minister regarding the fundamental shift of direct lending from CMHC and from the government to the private sector. We know that the government and CMHC will no longer be direct lenders, so there is a dramatic shift of responsibility from CMHC as the banker to the private sector; and we are giving up the chance to question the minister on the reason for this shift in the standing committee.

We are also giving up the chance to query the minister in committee on why the government has decided to wind down the Ministry of State for Urban Affairs. We agree that it is a good idea, one that we on this side have advocated, but we are still giving up the chance of putting questions to the minister.

Last night before I dropped off to sleep I was doing some light reading of *Hansard* and went back to a speech given on October 22, 1970 in this very chamber by the then minister of state for urban affairs.

Mr. Knowles (Winnipeg North Centre): Who was he then?

Mr. Whiteway: He is now the super minister, the present President of the Board of Economic Development Ministers. I was reading some of the comments he made when the Ministry of State for Urban Affairs was first created. Back in those days he was just a "clerk", a "reporter;" now he has come out of the telephone booth. He said at that time:

> Let me repeat the words I have just used—consult, co-operate, co-ordinate. These are meant to be neither soothing motherhood words nor words to gloss over any supposed lack of real intentions by this government. They are, in fact, precise indicators of how we will approach the problems posed by rapid urbanization in Canada at the federal level,

If I had time to read his speech I would show that his approach is like one who is found sniffing the thin air surrounding the metaphysical peaks of political intellectualism because he never deals with the centricity of the issue. It is a great speech.

May I call it one o'clock, Mr. Chairman, and continue after lunch?

The Assistant Deputy Chairman: It being one o'clock, I do now leave the chair until 2 p.m.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2 p.m.

The Assistant Deputy Chairman: Order, please. When the House rose at one o'clock, the hon. member for Selkirk had the floor.

Mr. Whiteway: Mr. Chairman, when we adjourned for lunch at one o'clock I was quoting from the comments of the hon. member for Port Arthur as reported in Commons Debates for October 22, 1970. He was talking about the very first Ministry of State for Urban Affairs. Now that I have had some lunch, I return strengthened, encouraged and ready to quote again from this very eloquent speech. The speech was made approximately nine years ago, and it outlined the reasons why the then government was setting up the new Ministry of State for Urban Affairs. Of course, we have the same government today. It is long in the tooth, worn and weary, running down and will soon run out. But nine years ago it was a reasonably new government which was ready to work.

I should like to quote one other sentence from that speech in order to provide the committee with some idea of the hopes and dreams of the government at that time. At page 467 of *Hansard* the speech reads as follows:

> We will hope to attract the best minds now diffused through governments, industries and universities and to return them again to governments, universities and industry in a continuous and cross-fertilizing stream.

That was a most noble objective, but I should like to deal with the crux, meat, essence and undergirding principle to establish the Ministry of State for Urban Affairs. He went on to say:

● (1410)

> In addition to an urban secretariat, of course, the ministry shall have reporting to it, an increasingly co-ordinated into a more total urban effort, the Crown agencies, of the Central Mortgage and Housing Corporation and the National Capital Commission.

The minister then talked about setting up a senior inter-departmental committee to study, co-ordinate and to report annually to the minister. That committee was known as SIDCUA. The only problem with that committee was that it was not only made up of boys from the mail room but comprised of no less than deputy ministers of this government. These nine deputy ministers were to meet, co-ordinate, consult and determine whether or not the Minister of Public Works and Minister of State for Urban Affairs was doing his job of co-ordinating the activities that would touch the provinces and the municipalities in order to maintain the jurisdictional argument and the constitutionality of rights respecting the provinces.

Those deputy ministers were not just put there for window dressing. They were in fact the backbone of the Ministry of State for Urban Affairs. So back in 1970 when this government introduced the Ministry of State for Urban Affairs they said that this most critical body of deputy ministers from some nine departments will make sure that this ministry is a co-ordinating ministry.

Let us look at the record. This committee made only one report in nine years. It was the first and only report. Now we have the minister and his government coming before the Canadian people and saying, "we want to wind down the Ministry of State for Urban Affairs. It isn't working, we're stepping on the toes of the provinces, we're interfering with the municipalities. We are so sorry; after nine years of interfering with the provinces we want out."

Mr. Rae: They only took your advice.

Mr. Whiteway: Well, now, we have heard from my friend on the left who says that the government has taken our advice.

Mrs. Pigott: Like Saskatchewan took our advice on mortgage interest deductibility.

Mr. Whiteway: If I thought that this government would take my advice so readily, I would give them a list, and we would not only clean up the bill, we would clean up the government. If this government wishes to take my advice and the advice of most Canadians, it is that the Prime Minister ought to have more than lunch with the Governor General and that he should, indeed, ask for a writ so that the Canadian people can review the activities of this government which has been around here for some ten years. Nine of those ten years have been too long.

This government, Mr. Chairman, created the Ministry of State for Urban Affairs. The ministry was to be reviewed by SIDCUA. We now have them coming back and saying that it did not work. We on this side wanted the ministry of state wound down because it was not working, not because the terms of reference were not adequate, but because this government went beyond the terms of reference. This government began to do things which were constitutionally within the bounds of the provinces.

As a matter of fact, the last task force of the western premiers, in a document known as "The Western Premiers' Task Force on Constitutional Trends", at page 31 says:

—in the broad area of housing, consultation was non-existent.

The four western premiers were saying that in fact the very duty of the Ministry of State for Urban Affairs was non-existent. It is no wonder that we on this side say that the whole ministry of urban affairs should be wound down because housing is a provincial jurisdiction.

This, however, does not mean that the federal government does not have a role in housing. It does not mean that the federal government cannot co-operate with the provinces. The problem is that this government cannot co-operate with anybody. They cannot consult with anybody. Their concept of consultation is ratification. I will tell you, Mr. Chairman, how much they consult. This little booklet which I have will prove and illustrate the difference between consultation and ratification.

The historic role of parliament has been that the government proposes legislation, and I give them that right. They have the right to govern because they have the majority, for the time being at least. They have the right to set the fiscal and monetary policy regardless of the mess they have made of it. That is their right and I give it to them. They have the right to set foreign affairs policy and housing policy, and I give it to them.

Our right in this House as the opposition is to oppose and to suggest from time to time alternatives that will help make legislation bearable for Canadians. The proof of this is illustrated in the number of amendments which we on this side have introduced on Bill C-29 which have been accepted by this government. This proves that we on this side are ready at the drop of a hat to help write legislation which will work. We on this side have the absolute right to oppose.

Another historic right of parliament is to debate proposals by the government before they are put into effect. I had delivered to my office down there in the "bush", in the Confederation building—but the post office was able to find me—a booklet that has printed on the back of it "NHA 522" and printed in the ninth month of 1978. This booklet is about graduated payment mortgages, "another way to home ownership". It was printed by the hundreds and thousands, and it says so right here. The cover letter says that over 100,000 copies of this booklet are available. All one has to do, Mr. Chairman, is fill out this card on the back; it is perforated and you tear it off and send it to CMHC; then they will send you this booklet outlining the graduated payment mortgage, the GPM.

However, the GPM is not law yet. It has not been passed. We have not given our consent. The difference is that this government comes to parliament for ratification when historically it should come to parliament for debate and approval of legislation. This government is so quick off the mark that they print 100,000 of these booklets. Just the day before yesterday the minister was prepared to scrap the GPM. It was only through amendments from this side that it was cleaned up. We did not want to see it scrapped, we wanted to make it workable. We introduced amendments which were accepted by the government and we would have saved the GPM and, in turn, the Canadian taxpayers the cost of printing 100,000 of these booklets before parliament had a chance to debate the question and help the government clean up the mess.

Mr. McGrath: Maybe they are already printed.

Mr. Whiteway: They are, 100,000 of them.

An hon. Member: At what cost?

Mr. Whiteway: At what cost? This government is not concerned with cost. What we on this side are forgoing is the chance to have this bill go to a standing committee where it would be investigated and where witnesses would be called from across the country, from, for example, the banking institutions and the credit unions, to give us their expert advice which is available to all Canadians. But because we want to accommodate the minister and this government in getting this bill through, we have agreed to send the bill to committee of

the whole. However, we will have questions from time to time this afternoon.

I have a whole list of things that I want to bring up this afternoon as we go along. I have one question which the minister may want to respond to, before I sit down after my first 20 minutes of the opening salvo here, with regard to clause 1. The question is with respect to Cloverdale. Would the minister tell the House whether or not the $180,000, which is the 5 per cent deposit made by Grado Development Corporation in the bid for Cloverdale on December 1 when that corporation was not able to finance the purchase of Cloverdale, was retained by CMHC and, if not, was all of it refunded or was part of it refunded?

• (1420)

[*Translation*]

Mr. Ouellet: Mr. Chairman, the cheque was kept by the Central Mortgage and Housing Corporation for reimbursement of its expenses.

[*English*]

Mr. Ellis: Mr. Chairman, I do not have the evangelical zeal of my hon. friend and colleague who just finished speaking. I wonder if I might bring to the attention of the minister and the officials with him today a problem that ties in with this particular clause.

In the city of Belleville there are a number of low rental and senior citizen housing buildings supported by CMHC. Within the last two years a young man with a great deal of foresight has put forward an exciting plan for a senior citizens' housing building adjacent to the river and facing on the main street of Belleville. It is right across from three movie theatres and next to excellent shopping. It is a building where senior citizens could be very happy, and unlike some of those on the outskirts, it would enable them to be very active in the community. Day after day they could walk on the main street, meet friends, go shopping and take part in the cultural activities in the city.

Even though the developer has the environmental studies completed for the city, has the zoning completed, has the permit approval ready, the feasibility study and the affordability study all finished—all of these things which were set out by CMHC—none the less CMHC have failed to give approval for this development. They keep asking more questions. The developer has a lender in place who is ready, willing and indeed anxious to participate in this very exciting and worth-while project. He also has a contractor of some proven ability in this form of construction in place. Everything is ready to go, yet CMHC still does not want to give approval. When questioned they said there is a 9 per cent vacancy rate, but they did not say that was in another city 50 miles away. Even when questioned on that argument, it was found that the vacancy rate in downtown Kingston, which was the city they chose as a model, was only 1 per cent. The vacancy rate in downtown Belleville is less than that. There are very few apartments for senior citizens in the downtown area.

We have an exciting, imaginative program ready to go ahead. We have a developer who wants to put up 185 units, 135 of which have already been requested by individuals. Still CMHC will not give approval.

I have heard this kind of criticism before, Mr. Chairman. I wonder what there is about CMHC that it tends to delay when the horror stories that the hon. member for Ottawa-Carleton have spelled out today are so readily approved? Everything is in place for this project but still CMHC does not want to give approval.

I shall deal with other questions later, Mr. Chairman, but I wonder if the minister and his officials could tell me why Mr. John Halloran of Halloran Real Estate, with his exciting proposal for main street Belleville, Ontario, cannot get approval.

Mr. Ouellet: Mr. Chairman, I shall look at this matter and try to arrive at a speedy conclusion of it.

Mr. Crosbie: Mr. Chairman, I want to outline a few things that the minister is going to have to answer satisfactorily before this bill completes passage through committee of the whole House. I want to congratulate him on having it brought before the committee of the whole House. This gives us an unlimited opportunity to spend the time that needs to be spent on going into some of the details that need to be gone into in connection with the minister's handling of CMHC.

I hope the minister has read my remarks of a day or two ago. I have them here to read again in case he has not.

Mr. Rae: Don't you have them on tablets?

Mr. Crosbie: I spoke during debate on second reading on March 6. The minister was not here for my few remarks. I hope he has read my speech, because if he has not I will have to repeat it any number of times during the coming weeks. I assume that the minister has read my remarks, so that I can abbreviate.

Mr. Ouellet: Page 3882 of *Hansard*. I have it here.

Mr. Crosbie: It is wonderful how a minister's mind becomes clarified when we get into committee of the whole. It is wonderful how nice ministers become, how reasonable, how agreeable. I am glad to see the minister in that mood.

There is one item I should like to find out about. I know the minister cannot answer right now because it would be too small a matter to have come to his attention. At Come-By-Chance in the province of Newfoundland where there is a refinery that has not operated for three years there is a subdivision of houses formerly occupied by employees of Newfoundland Refining. It was financed through mortgages provided through Nova Scotia Savings and Loan Company and insured CMHC. When the refinery closed down and payments were no longer being made, they foreclosed, of course, on the mortgages and took ownership of the houses, and claimed against CMHC and the mortgage insurance fund. CMHC is

now the owner of those properties on behalf of the mortgage insurance fund.

I should like to find out what the position of CMHC is on these units. Are they now attempting to sell them or are they going to hold them for the possible reopening of the Come-By-Chance oil refinery? Have they met with the Come-By-Chance town council to discuss what should be done with these units? They were making an evaluation of the units and attempting to fix prices based on market value during the summer of 1978. Have they completed that and, if so, what do they think the proper market value is? In other words, just what do they plan to do with those houses that, unfortunately, they had to take over under their insurance scheme? I should like to find out at some point as we go through this bill.

I have another problem, Mr. Chairman, that I spoke about the other evening. That is the problem in Kilbride in the district of St. John's West where some mistakes occurred through the administration by CMHC of an AHOP project there. I am not sure yet how many people are affected—perhaps 150.

To summarize the matter, in January all these people got notice that they were going to have an increased monthly mortgage payment. In some cases it was up to $80 per month. It was said the reason was that the municipal taxes had increased, or that it was to collect municipal taxes that had not been collected by CMHC in the previous two of three years. The increased monthly payments are to commence on April 1 and CMHC has said they will collect the arrears of taxes in 1979.

In some cases, Mr. Chairman, people had been told a few months earlier that they were in credit. In one case the monthly payments for municipal taxes were reduced to zero or to 50 cents per month, I think. That particular person has been told the monthly payments are to be increased to $40 or $50 per month because there are supposed to be arrears. Naturally the people who got these notices were shocked and stunned. They had never heard of any arrears of municipal taxes. They are objecting and meetings have been arranged so that CMHC can go into each individual case.

There was no tax increase in the last three years in the St. John's metropolitan area and there was no increase in tax assessments. CMHC had considered that taxes were going to be between $96 and $120 per year originally, but when the actual tax bills were sent out they were more than that. For some reason CMHC neglected to inform the mortgagors. They neglected to increase the mortgage payments for municipal taxes, then allowed the arrears to build up over two or three years which they paid themselves. They now want to collect the arrears from the mortgagors. They want to collect the interest on the arrears, and they want to do this all in nine months commencing April 1.

● (1430)

Mr. Chairman, that is not acceptable. These are low income people, working class people or lower middle income people who cannot afford to pay vastly increased monthly payments.

[Mr. Crosbie.]

CMHC is aware of the situation in St. John's. We have been talking to them, but they need direction from the minister, as I said in that speech.

Without going on too long about that, I would like to know what the minister can do. First I hope he will direct that they will not collect arrears of interest on municipal taxes which the mortgagors know nothing about. They were not informed about this matter and it is not their fault. There should be no collection of arrears. Depending on the individual case, people should have longer that 12 months to pay the arrears, once the arrears are shown to exist. There should be no attempt to collect arrears of interest caused by CMHC making late payments of municipal taxes to the St. John's metropolitan area board.

Apparently CMHC were charged interest by the St. John's metropolitan area board because they did not pay the taxes themselves on time, and they were in turn trying to collect that from these mortgagors. It may be something to do with the computers. Anyway, it was some fault in the administrative system of CMHC, and as a result this happened.

This situation is the responsibility of CMHC, and I cannot see how these people can be expected to start paying on April 1. It will take two or three months to straighten this matter out. CMHC should be directed not to start collecting their increased monthly payments until at least June 1 or until this matter has been straightened out with these very irate home owners.

It was not drawn to my attention until all this happened that many of the homes occupied by these AHOP home owners—once again built by a contractor through CMHC, inspected by CMHC and all the rest of it, and then sold to these poor innocents—are defective. They have had a lot of trouble with them. They are in poor repair already although they have only been built in the last two or three years. The workmanship is atrocious. The roofs leak. There is condensation inside and outside the walls. I am told that they have things growing literally on the walls of their houses. I do not know what kinds of things. There is water everywhere.

An hon. Member: Fungus.

Mr. Crosbie: There is some evidence of NDP fungus.

Mr. Rae: A healthy development.

Mr. Crosbie: I am afraid not. It will require the absolute excavation of these structures if that turns out to be true. If there is an NDP infiltration in these homes, it has to be stamped out.

Mr. Rae: That is the only way you will beat us in St. John's West.

Mr. Crosbie: I managed to keep the rot from spreading there in 1976 and I hope to keep the rot from spreading again this year.

Quite seriously, there is a lot of dissatisfaction with the condition of these homes. They are not as bad as the homes in

the area which the hon. member for St. John's East is complaining about, and rightly so.

Might I make a suggestion to the minister, Mr. Chairman. One of the things that CMHC and the minister has stated to my colleague, the hon. member for St. John's East, is that they cannot do anything. In my friend's case this gentleman incorporated a company to do the project. The project is now finished. There are no assets left in the company. The people in the development have been left with inferior homes. These homes are in Virginia Park in St. John's East. There is not much good these people suing the company which built the homes because the company is now only a shell. This well-known contractor in St. John's has now moved on to other projects. CMHC say, "Well, you can only follow your legal remedies." The legal remedies in this case are not much good to you. What is the good of suing a company with no assets?

Apart from the question whether CMHC should be held responsible, which I am sure my learned friend and colleague will deal with again, this contractor is also accused of having bribed a CMHC inspector. The way to deal with him is quite simple. CMHC should advise that contractor that if he does not put those homes in good repair and does not correct the deficiencies, never again will he or any company in which he is a shareholder, or in which any of his family are shareholders, or anyone found to be representing him, receive any financial assistance for a building project from CMHC. That is the least that CMHC can do to put some pressure on the contractor.

A contractor should not be allowed to use CMHC financing facilities unless his main company, his principal company, his head company, his company that has assets, guarantees the job. In other words, Joe Smith, whose main company is Smith Construction Ltd., should not be allowed to incorporate XYZ Construction Ltd. to do a job, such as the Virginia Park job, does that job only, and then comes back to CMHC with another incorporated company, without assets, and does a further job, and so on. In my opinion, in every case his main company should have to guarantee the work he has done to CMHC and to the purchasers of those homes. He should not be allowed to use the legal device.

The ordinary home buyer is an innocent party who will probably only buy a home once in his lifetime. People do not know what to look out for. When you talk about an AHOP unit, they are the lower income people who probably do not want to pay lawyers' fees or they think the CMHC lawyer is acting for them. But he is not acting for them unless they agree to pay him the usual fairly substantial legal fee. In this case where the government is involved, the old principle of *caveat emptor* has to be forgotten. It is not a case of "let the buyer beware". In this case the government is involved and it has to help the purchaser be aware. It is the government's responsibility. They are financing these kinds of developments. If they are trying to help low income families get houses, it is the government's responsibility to hold them by the hand as they go into these projects. In this case it was the government's responsibility to assist them as they bought the houses. If it turned out they had a bad bargain, that they had been put upon as has happened in my friend's district, it is the government's responsibility to help them get out of that situation. It is not enough to say they will give them an increased loan to pay the thousands of dollars they have to pay to repair the monstrous conditions they are now experiencing.

I suggest that if CMHC investigates Kilbride and finds that there is poor workmanship, that people are having lots of problems there, CMHC should put pressure on the contractor in those developments. The contractor will not go back now with these individual complaints. The only way he will go back is if he gets extra legal pressure put on him. How can people who are barely able to cover their shelter costs because they are in an AHOP project hire lawyers to sue on their behalf if they need a few thousand dollars worth of repairs done? This is CMHC's program and it should help those who need help, but instead of helping them they have got them in over their heads. They have them tied to a mortgage which they have to repay and they are now leaving them to like it or lump it by themselves. That is not good enough. We are hoping that the minister will have some answers in this connection as this committee goes on.

I have another matter to bring up. I was not here this morning but I would like the minister to explain Mr. Hession's letter of January 3, 1979. The RRAP program has been very popular in Newfoundland particularly in my friend's district of St. John's East and in my district. It has been much used in the NIP areas there and in other areas. The people have been led by the minister to believe that RRAP is available now to them all. I used to write CMHC and ask them if they would include St. Mary's Bay as a RRAP designated area, Come-By-Chance and various other areas. Now it is universal, the minister says.

Mr. Hession's letter of January 3 to the minister certainly shows that that is not a correct statement. He said that the 1979 capital budget is $56 million and that $37 million has to be used in the existing designated areas where work has already begun. That leaves a further $3 million in areas already designated but where work has not started. That is $40 million. This leaves $16 million for new initiatives for the whole of 1979. He goes on to say that 68 areas have submitted final applications under the old rules. After this legislation is passed they can be designated by order in council and they have to have priority. They will require $7 million, which leaves $9 million to cover some 2,250 units. That is the universal amount.

• (1440)

As Mr. Hession says, this is a fairly modest amount and we should avoid raising expectations which we cannot satisfy. I say that the minister has roused expectations throughout this nation that he cannot satisfy, unless he is going to rise here this afternoon and say that he now has $600 million or $1 billion for this program.

We are not going to allow him to fool the people of Canada into thinking it is universal when according to his own president he has $9 million for the whole of Canada outside the

present RRAP areas and he can do 2,250 units during 1979. The people from St. Mary's Bay are going to hear from me, as well as the people from Placentia Bay and the people of St. John's West. Anybody who can hear my voice over the media, or in fact across the nation, every householder from the tip of St. John's East—if the hon. member does not mind me referring to his district—to Vancouver Island, will hear from me that this is not a universal program.

This is a universal fraud, a universal attempt at deception. A statue should be raised to our housing critic, Lady Pigott, the member for Ottawa-Carleton who exposed this massive attempt at deception by giving the world the letter from Mr. Hession. We are going to send Mr. Hession's letter to every householder in this country once the election is called. At least, if we do not, we should. The threat of it alone will be enough to strike fear into the heart of the minister because he will have to explain to the people in our areas who want to get loans and grants to repair their homes why they cannot get them when the program is now universal.

Mr. Hession went on to say:

> You realize I am sure that neither the industry nor the municipal delivery system nor the present and projected RRAP budget permit the operation of a universal program in the specific sense that anyone, any day of the week can walk into a municipal office and be served.

He points out that he proposes a ten-year program to do 200,000 dwellings for those in the most serious need. He points out that two million could use the program. We have to go into that with the minister and try and get that straightened out.

I want the minister to explain to me all about his speech to HUDAC on February 9 of this year. I said the other night that the minister was a wizard of weasel wording. He was going to bring in a great new program. We heard the Prime Minister admit here this morning that they do not have a thing to tinkle in. They could not even tinkle in the pot, they were so tight for money, except for the $18 million that the "minister of amateur fitness and professional sport" is talking about for NHL teams.

This minister said in his speech to HUDAC that our proposal for mortgage interest deductions was unsatisfactory and Canada would be better served by a tax credit scheme so that the new advertising campaign could start. Where did the money come from, honey? All we know is it came from the government. Where does the government get the money, honey? The government gets the money from us, honey.

That is the most dishonest advertising program since Mr. Smallwood left the political scene. They have brought themselves finally to the Smallwood level. I never thought I would see the day when anybody could be lower in that regard than our former premier, but I have seen it now.

Mr. Corbin: You are doing pretty well yourself.

Mr. Crosbie: You get on your feet and we'll be delighted to hear you.

Mr. Corbin: On a point of order, Mr. Chairman. The hon. member has invited me to get on my feet if I have anything to say. I simply said, in case he did not understand me, that he is doing pretty well himself to bring someone down to the Smallwood level. In fact, I think he has surpassed that level in depth.

[Mr. Crosbie.]

Mr. Crosbie: I will pass on the good wishes of that Liberal member to Mr. Smallwood, who will probably get his tongue around him if he ever goes to Madawaska. I am going to ignore the interjection from the gnats and the mosquitos in the Liberal party. We are only interested in the horse flies and the horse dragons, not in the little buzzers, only the large ones.

The minister had this to say:

> To introduce any general program, however, that seeks to redistribute income for shelter purposes, requires a very substantial commitment of government funds. As a minister of the government in power, I do not have the advantage of being able to advocate prodigality on the one hand and retrenchment and restraint on the other.

I asked the other night why this minister is being discriminated against. Why is he the only minister of the government that is not allowed to promise more spending on one hand and less on the other? Every other minister does it. Why is he discriminated against? The minister went on to say:

> But I do believe that in the near future, as soon as our economy permits, we should adopt a shelter allowance system that will provide assistance to home owner and tenant alike, through payment of a tax credit for shelter expenditures exceeding a certain percentage of income.

Before this bill clears the House, the minister should tell the people of Canada when he is going to introduce that program. He should put a date on it. Can the minister tell us when the economy is going to permit his great new program? When is he going to be able to bring it in and what are the details?

What is the point of the minister saying there is going to be a program if the promise is that it is going to be brought in as soon as our economy permits? The minister knows that as long as his government is in power the economy is never going to permit the bringing in of such a program.

We are promising the people of Canada that mortgage interest and municipal tax deductibility will be brought in as soon as we are brought in. When the people of Canada bring us in, they are bringing that program in with us. The people of Canada have had this government for 15 years and it has not yet introduced this program to redistribute income for shelter purposes or a shelter allowance system. They have been here 15 or 16 years and now the minister says that some time in the future, as soon as the economy permits, he is going to bring it in.

The Deputy Chairman: Order, please. I regret to interrupt the hon. member but his allotted time has expired. He may speak again after someone else has spoken.

Mr. McGrath: Mr. Chairman, in the traditional spirit of co-operation that characterizes our Friday afternoon sittings, I am glad to see that the minister is in an unusually good and co-operative mood. He was, however, uncharacteristically brief and we had to prompt him to say a few opening words on clause 1 of the bill notwithstanding the practice that it is customary on clause 1, when we are in committee of the whole

or in standing commmittee, for the minister to make a statement.

In that same co-operative spirit, the same born again spirit that I perceive in the minister—he sits there smiling at me—I still have hope the minister will address himself to some of the problems that we raised during second reading stage of the bill and which have been repeated here today on clause 1 of the bill by my colleagues.

I have a special interest because of the constituents I have the honour to represent in this House, those unfortunate people caught by a bureaucratic kind of stalemate with regard to the Virginia Park AHOP development. That case has been made in this House. It has been made outside the House by the solicitor for the AHOP home owners in Virginia Park. The minister has correspondence on it. I will not repeat all that I said on second reading. I am not going again to lay the whole horror story on the record because that would be taking advantage of the committee.

I am firm in my resolve that this matter has to be addressed. There has to be some indication from the minister before this debate ends that the government is going to live up to the responsibility that it assumed on behalf of these home owners when it agreed to extend financing under the National Housing Act and the assisted home ownership plan to the builder, who is now no longer in business because he conveniently put together a paper company for the purpose of building this sub-development.

The minister nods his head. I find that encouraging. I am not going to belabour the point. I take the minister at his word. He says he is going to tell us when we get to clause 3. Why cannot he tell us on clause 1?

● (1450)

The hon. member for Surrey-White Rock has outlined the problems in his constituency in the Vancouver area. The hon. member for Hamilton has outlined similar problems in his own area. We could go within a mile of the minister's own constituency in Montreal and find AHOP projects where there are problems which seem to characterize AHOP programs all across the country. There has been a spirit of give and take evident in the last few days. I must admit I do not know who is taking; we can never be sure in that regard, and I do not say this unkindly but in reference to the hon. gentleman's sharpness as a politician.

It seems to me we have reached a productive arrangement as a result of which when the bill before us is on third reading it will in many respects be a vast improvement on that which we dealt with on second reading. But in the interests of making progress I hope the minister will state what are the intentions of the corporation with respect to the AHOP home owners in Virginia Park, in the constituency of my hon. friend from St. John's West, in the Hamilton area and in the Surrey area.

If he does not, then out of the sense of support that I feel for the people we represent I cannot promise we will make the kind of progress we would all like to see. After all, this is the only chance I have to make a case in this House on behalf of those unfortunate low income people who bought these houses with the guarantee of the corporation, knowing that they had the backing of the National Housing Act and the Minister of State for Urban Affairs. So I invite the minister to tell the committee now what he is prepared to do about these home owners, not only in St. John's but elsewhere in the country.

Mr. Ouellet: Mr. Chairman, my remarks on clause 1 were very brief. I felt that because there were before us a series of amendments dealing with a number of points which have been presented by members of the opposition it would be more appropriate for me to address those points specifically as each of the amendments came before the committee. However, I respect the view expressed by the hon. member for St. John's East, who has invited me to address myself specifically to the difficult situation in which home owners in Virginia Park and certain other AHOP projects in various places in Canada find themselves.

One of the amendments presented later today will be introduced by the hon. member for Ottawa-Carleton. Under its terms, we would enshrine in the National Housing Act a clause which would provide that, in the case of a loan made to a builder for the purpose of house construction, the builder should provide the purchaser with a warranty under a warranty program approved by the corporation.

There is no doubt in our minds that in future no loans should be insured by CMHC unless the builder offers a warranty program to the purchaser. I want to remind hon. members that I have been advocating this for a long time. As a former minister for consumer and corporation affairs I made many speeches advocating such a program, so one of the first things I did when I was appointed minister responsible for urban affairs was to discuss with the National Association for Housing and Urban Development the desirability of setting up a warranty program. We presently have a national warranty program which is administered by each provincial association. In practice, though, CMHC no longer insures loans for building projects unless such projects carry a guarantee to the purchaser. I am glad to note that the hon. member wants to enshrine this practice in the National Housing Act. I support her initiative and hope the House will approve the amendment.

In relation to the case which has been put forward in the House in recent weeks by the hon. member for St. John's East on behalf of some of his constituents who have been very badly affected by the incidents in Virginia Park, I told him in the House that the tools at our disposition were very limited but that CMHC was acknowledging the difficulties these people were facing. I assured him we were ready to put up the cash money required to enable them to carry out the necessary repairs immediately but that CMHC had no authority to make grants to these people. There is no provision allowing CMHC to do this. But we are ready to make an advance to them, to re-open their AHOP files and give them an appropriate amount of money with which to pay for these necessary repairs, and to make appropriate arrangements with the individuals concerned for reimbursement to be spread out over as long a period as possible.

Also, there were certain grants attached to the old AHOP program. I know that in Virginia Park some of the residents have an income which is sufficiently low to allow them to benefit from such grants in relation to the offer made by CMHC. I would be quite willing to re-open each individual file in order to help them. The response by the hon. member at the time was that something more had to be done and that some specific adjustments had to be made for these people.

● (1500)

After consultations with the representatives of these people I would be prepared to appoint someone to act as a special adviser to CMHC and to these people, to make recommendations in order to solve the problem of these residents. I recognize the difficulties which are inherent in these actions. At the risk of going beyond the legal responsibility of CMHC I think we ought to take an affirmative step which would allow these people to receive some relief, but not under the legal umbrella. I understand that they have lawyers who have put their case before the court. Perhaps through the court they will receive a much more substantial remedy than they could expect at this moment, but I am ready and willing, without prejudice to their court claim, to appoint a special mediator or ombudsman to deal specifically with their case, to re-open their file and to try to accommodate them quickly so that the problems they have at the present time can be solved.

The errors of the past ought to be corrected, and the ideal way to do that is to make sure that no loan is insured by CMHC unless the builder guarantees the purchaser that there is a warranty plan to protect him.

The second thing I want to say is that indeed, as suggested by the hon. member for St. John's West, I am ready to develop guidelines within the CMHC for dealing in the future with the builders of these projects about which there are complaints. I want to assure the hon. member that we on this side of the House are no more happy—and we are probably as disappointed and disgusted as the hon. member—than the hon. member about some of these things which have taken place in the past. Indeed, we do not approve of the conduct of builders who create companies just for the purpose of financing one project, after which those companies immediately disappear. They escape any liability or responsibility. I am ready to say to the hon. member for St. John's West that we will develop guidelines to make sure that CMHC will not in future do business with those companies which have bad records.

Mr. Foster: Mr. Chairman, there are a couple of questions I would like to put to the minister. I am especially interested in the community services program proposal in this legislation. It was announced last May, and a number of municipalities in my constituency have been especially concerned about when these funds will actually be made available. Some of them applied for funding for projects under the four programs which where amalgamated into the community services program. I understand that about $51 million is available for the province of Ontario in the first year, and larger amounts in subsequent years. That would be out of $150 million the first year and $250 million the second year for the whole country. I would like to know how soon this agreement with the province of Ontario will be implemented.

I am thinking especially of communities like Sault Ste. Marie, where a large sewage treatment facility and water mains are to be installed. There is also a neighbourhood improvement project to be developed. I am thinking also of communities like Little Current, which is putting in a sewer and water system. It applied for funding last year. The project did not get under way in 1978, so the community is waiting to know how soon that funding will be committed so that it can go ahead with tendering on the project. There has been approval from the province of Ontario, but funds under this program have not actually been identified.

I am also thinking of the community of Elliot Lake, which is growing very rapidly. There are some 15,000 people there now, and the community will grow to over 30,000 in the next four or five years. There is a very rapid expansion of infrastructures such as sewer and water. A community like that really has to know from where funding will be coming. Indeed, it will require all available assistance under the community services program, from the Ontario department of the environment, as well as assistance under a subsidiary agreement with DREE, because of the massive funding which will be necessary. That is one matter I wanted to put to the minister. How soon will agreement with the province of Ontario be reached? Time is marching on, and if contracts are to be let for construction this year, that has to be done very soon.

The second matter I want to raise with the minister is whether there can be some special assistance under the rental supplement program for communities like Elliot Lake which are growing very rapidly. In such communities mining companies subsidize the rents of their employees. For a new housing unit which would cost $55,000, $60,000 or $65,000, the rent would normally be about $400, but the mining company would charge only $200. That is fine for the employees of the mining company, but there are people who work in the service sector who do not have that kind of assistance, so it seems to me that there has to be some mechanism developed for communities which are expanding very rapidly. That mechanism should provide proper accommodation for people in the service sector. It seems to me that a rental supplement program is the only solution for medium and lower income families.

I am familiar with one problem regarding the rental supplement program which is carried out jointly with the Ontario government. If a project is developed by the private sector, I think normally only one quarter of the units can be eligible for this rental supplement, and I wonder if in fact there is enough leeway in this legislation, or in the National Housing Act, to allow for entire apartment blocks or housing complexes to be set up so that there would be this rental supplement but not restricted just to one quarter of the units. I would be very interested in knowing if the minister feels that that kind of assistance could be made available to Elliot Lake, where approximately 3,000 units will be developed over the next few

years to accommodate expanding uranium production at that community.

I hope the minister will be able to respond to those two questions.

Mr. Ouellet: Mr. Chairman, I will answer the questions raised by the hon. member very quickly. In the first place I would like to say that I have had preliminary discussions with representatives of the Ontario government. They have already submitted their documents for signature. We expect to sign an agreement with the government of Ontario dealing with the community services program. As soon as this bill is passed, we hope to have the signatures some time next week.

● (1510)

In relation to the second point raised by the hon. member, indeed, under section 44(1)(a) and 44(1)(b) of the National Housing Act we have an agreement with the government of Ontario to designate four supplementary subsidies when the province decides to designate these units. So rent supplements could be granted to specific projects that the hon. member has in mind. It would be up to the Ontario government to designate these units, and the federal government would then be willing to accept this and pay the rent supplement on a 50-50 basis with the Ontario government.

Mr. McGrath: Mr. Chairman, I do not want to be seen to be intervening more than is reasonable and necessary, but I did not take up my time because I wanted the minister to reply to my invitation to him to respond to clause 1 to the grievances that I put forward on second reading on behalf of the people of Virginia Park. I want to say to the minister that I believe the proposal he has put forward is, under the circumstances, a reasonable one.

The people I have the honour to represent, the home owners in Virginia Park, are reasonable, decent, honest, hard working people, and they believe in the justice of their case, so much so that they, with great personal expense to themselves, engaged solicitors and consulting engineers because they believe their case is just and will stand in any court of justice or any tribunal. That is why I say to the minister that I welcome his suggestion to appoint an arbitrator, a mediator, or an ombudsman who would act independently between both parties, the CMHC on the one side and the Virginia Park home owners on the other. I know that that suggestion will be welcomed by these people.

This prompts me to make another suggestion, one which I have cleared with my colleague, the hon. member for Ottawa-Carleton, who should be commended on the very forthright manner in which she has handled this bill, and indeed on the way she has addressed herself to the whole problem of the housing industry and the impact on the economy and the way it affects individual Canadians. This brings me to a suggestion which I would like to put to the minister. Most major corporations in the country today which deal with the public have a vice president or a senior executive who deals with consumer affairs or consumer relations, someone who handles specifically consumer complaints at an executive level. There is no such person within CMHC. I think the experience of the Virginia Park home owners demonstrates the need for such a senior officer within CMHC, a practice that has been widely and effectively used by most of the major corporations dealing with the public in commercial transactions.

I know I cannot put this forward as an amendment beause it carries with it a charge against the Treasury, and so the amendment would not be procedurally acceptable. I can only make it as a suggestion. I put it forward to the minister, safe in the knowledge that with his background as former minister of consumer and corporate affairs and with the way he has responded to the complaints we have raised in the House on behalf of my constituents, of Virginia Park home owners, and others as well, I know that this is a suggestion he will not treat lightly. I hope it is one which the corporation will accept and that, before long, we will have such an official appointed within CMHC.

Mr. Ouellet: I want to say that this is a very worthy suggestion, and indeed with my previous experience in consumer affairs I welcome the suggestion. I will be speaking with the chairman of the board of CMHC, with the recommendation that appropriate procedures be applied to have one of the vice presidents of CMHC pay particular attention to consumer matters.

Mr. Schellenberger: Mr. Chairman, I want to make some comments in three areas. I restrained myself on second reading from making a speech, and now I will try to be brief in commenting on the three areas. I hope I will receive some answers from the minister in these areas.

The first one has to do with native housing. Some years ago the announcement was made that some 50,000 structures will be built for natives in, I believe, seven years. At the moment, a little over 7,000 have been built. When I look at the statistics on what is happening on reserves, I find that much still needs to be done. The statistics come from the Department of Indian Affairs and Northern Development, and I will read a couple pertaining to a few of the provinces. We find that reserve Indian families needing homes in Ontario number 2,270 out of 7,000 families which still have no place in which to live. In Quebec, 1,182 families out of 4,353 families have no place to live. In the province of Alberta, 662 out of 2,821 families have no place to live. These families are living on reserves with their parents and brothers, or in rental accommodation together with a number of other families.

In the province of Alberta, the province with which I am most familiar, in the last couple of months—I am not sure exactly how many—some babies died from respiratory problems, and the Indian people in that area put the total blame for those deaths on inadequate housing. It was documented on television and in the newspapers that, in the mobile home where one of the babies died, three families, or 16 or 17 people, resided, a mobile home with the space for only one family or three or four people. At present they are documenting hundreds of more cases in northern Alberta living in

similar conditions. The native people in the province consider housing to be the number one priority.

I am fortunate in my riding to have two reserves which have oil money available for their use, and the first area for which they have designated royalties from their oil is the building of homes on the reserves. But by far the greatest number of native people in Alberta are not as lucky and they require assistance in housing from the federal government, and the total responsibility should be on the federal government for giving assistance in housing to the native people.

Under RRAP, money can be made available for native housing, and not only on reserves, because this problem is now extending itself to the cities of this country as young people and families from the reserves are moving to the cities in an attempt to find jobs and get off the welfare rolls and off the unemployment insurance rolls. So we must look at the problem as not only a problem on the reserve but also as a problem in the cities of our nation.

Under this program as well, it is possible to provide assistance for the repair of homes. The statistics tell me—in the non-native community we would never put up with such a situation—that only 80 per cent of native houses have electricity, only 31 per cent have water and sewage facilities, only 30 per cent have indoor toilets, only 26 per cent have indoor baths, and less than a third have telephones. Surely we in the non-native community would not put up with such housing conditions, and I do not think that we, as Canadians, should accept that the native people have to live in that way either.

I see that under this program it is possible to make conversions and major repairs to dwellings, and I hope that the minister will say that certain funds will be set aside under this program for this purpose. Perhaps the minister could tell us how many more homes out of the 50,000 can be built in the next number of years, and whether some funds can be provided under RRAP for the repair of homes and the building of new homes. I would like to spend a lot of time on that, but I realize our time in committee is limited and I want to deal with another area. That other area is the CHIP insulation program.

● (1520)

When it was announced, people who owned older homes felt that the program would provide them with a method of reducing their fuel bills. According to an announcement, I believe some 900,000 dwellings were available for the program, that is, homes built before 1946. For some reason the program has failed. Approximately $65 million was set aside for the program, and it has not been spent. The statistics in Alberta indicate that there are 120,000 homes built prior to 1946 which are eligible for the program, and that only 2,200 grants have been given out in that province.

I had occasion to speak with the chap in charge of the program in Alberta. He indicated that because of the surplus of gas in that province, Albertans are not concerned about insulating their homes. I do not believe that. Anyone who can save on his heating bill will take advantage of it; it does not matter from which province he comes. I could cite similar statistics for other provinces, but I will deal only with my own.

For some reason the program was not put properly before Canadians. Possibly it was because the $350 grant was taxable and many people felt it was not worth going through the problems of receiving the grant. I understand that major recommendations have been approved within the department to change the program somehow. I have a letter from the Insulation Contractors Association of Ontario. I will not read it, but it indicates that changes must be made in order for the association to take advantage of the program and insulate thousands of homes within Ontario. They are looking forward to the changes which the minister is capable of announcing in the very near future. Perhaps he can make such an announcement today, or perhaps he can make it as soon as possible if such recommendations have been approved within his department. If not, I suggest a long look should be taken at this program.

Until one o'clock this morning I was in the energy committee which was dealing with the energy allocations bill. According to the Minister of Energy, Mines and Resources, there is a crisis respecting the allocation of oil, particularly in eastern Canada. The best way to save on our energy requirements is by conservation. This program should be successful and should do Canadians a great deal of good, yet it is failing.

Earlier this year an announcement emanated from CMHC regarding the addition of solar panels in homes. I am not sure of the person's name who wrote an article dealing with this matter, but I believe he suggested that people who feel there is some future in putting solar panels in their homes can be compared to zealots. I simply cannot accept such a remark coming from people within CMHC. This is an area which the Canadian government must move into in order to provide renewable energy for Canadians who are willing to take the chance and put solar panels in their homes. The technology is there, but it requires CMHC assistance by allowing mortgages to be extended at least ten years to 15 years in order for home owners to pay off the costs of the installation of solar equipment in their homes. I hope the minister is looking at this and is in a position to give some answers respecting those three areas.

Mr. Ouellet: Mr. Chairman, in reply to the hon. member for Wetaskiwin I should like to indicate that the rural and native housing program started a few years ago. It has provided approximately 18,000 units out of the target of 50,000 units which we wanted to do over a course of five years to seven years. The reason why the start has been slow and that we have not produced a larger number of units is because we want to involve natives in the program. We want their input into the implementation of it. Of course we were ready to suffer some delay in the implementation of the program because we felt it would be useful for them to be part and parcel of such a program. Our average in production every year is now good, and we believe we will meet the target of 50,000 units.

In relation to the hon. member's second point, I agree the CHIP program perhaps did not receive the response we

expected from the public at large. It is an important program, but we still have a job to do in convincing Canadians that they could be very active in the conservation of energy. One of the best ways for Canadians to be active is for them to insulate their homes and spend the necessary moneys to have well-insulated homes. Indeed it would be a wise investment because, in the long run, their heating bills will be reduced. In order to provide an extra incentive in that regard, we have put forward a program to give $350 to home owners in order for them to insulate their pre-1946 homes. Discussions are taking place perhaps to improve some aspects of the program. In relation to the dates, recommendations were made to the effect that now that the old stock has had a chance to benefit from the program, maybe more recent housing stock should be eligible as well. I am looking at this proposal, and I hope to reach a decision soon.

In relation to the hon. member's third point, I agree fully that it is an area to which we must give much more attention in the future, and I support his view on it.

Mr. Crosbie: Mr. Chairman, before we proceed with clause by clause consideration, the minister suggested that he will appoint an ombudsman. I would like to have this clarified. Is that to look into just the situation in Virginia Park, or is he saying that he will have an ombudsman to look into these situations wherever and whenever they occur? I should like him to clarify that because it is important for Virginia Park. But there are other areas as well where there are these complaints. I would like to have that clarified.

Another area in which I would like to have some reaction from the minister is the situation in Kilbride. I wrote him only two or three days ago and he may not be in a position yet to indicate what he can do; but I would like some indication as to his frame of mind on that problem because the date is drawing quite close. I think this is March 9, or maybe it is March 10.

Mr. Rae: Don't look at me.

Mr. Crosbie: The NDP never know. It is no good looking at the NDP for an answer; they have no answers.

An hon. Member: It is March 9.

Mr. Crosbie: It is March 9.

Mr. Rae: It is 3.30 on Friday, March 9.

Mr. Knowles (Winnipeg North Centre): It is a half hour later in Newfoundland.

● (1530)

Mr. Crosbie: It is an hour and a half later in Newfoundland. The first payment is called for on April 1. I would like the minister to give me some response to that problem of municipal taxes.

Another area, the NIP program, has been most valuable and well used in the area of St. John's East and St. John's West. It is to be replaced by the Community Services Grant Program. I would like the minister to say when he expects to enter into a program with the province of Newfoundland on the community services contribution program or whatever it is now called, CSGP, and what the funding is likely to be for that program during the present year. Is the funding at least as great as it was last year under the NIP program?

Another area is the CHIP program which my friend from Alberta mentioned. Let me tell the minister that two of the reasons that this program is not being used are that the grants are too small and that it is a discriminatory program. When the minister brought in that program he discriminated against householders in eight of the ten provinces in Canada. As he knows, if you live in Nova Scotia or Prince Edward Island you get a grant of $500 from the government to insulate your home and it is non-taxable, it is not added to your taxable income. There are other advantages.

I am not against Nova Scotia and Prince Edward Island householders getting that, it is grand, but all householders across Canada, no matter where they live should get the same assistance, at least the $500 grant non-taxable, and not the $350 grant that is taxable which is now being offered. The householders in Quebec, Newfoundland, Alberta and New Brunswick have been discriminated against by that CHIP program. The minister says that he is carrying on discussions on that program and that they are considering the dates. In other words, they may bring the date up. You do not have to go back beyond 1921. There may be a house that was built before 1941 or 1950 and they are going to do something with the dates. That is all well and good, but just changing the dates will not matter if people are n applying because the program is not generous enough or because they are disgruntled because the grant is taxable in their province and not taxable in Nova Scotia or New Brunswick.

I would like the minister to indicate to the House how many of these grants have been made in Newfoundland, for example, as compared to Nova Scotia or Prince Edward Island, and what are the per capita results? I do not have the figures here now, but I am sure that the program has been much more used per household or per capita in Nova Scotia and Prince Edward Island than in any of the other provinces. In other words, the program could be called somewhat successful in Nova Scotia and Prince Edward Island, while it has been a flop in the rest of Canada, and proportionately they are receiving very much more.

If the minister does not have the figures this afternoon, could he provide them, as to what has been spent in each province under that program, the number of grants, and how Nova Scotia and Prince Edward Island compare with the rest? If they compare more favourably, then obviously the thing to do to improve the use of that program is to extend the program to the other provinces in Canada as it is now in effect in Nova Scotia and Prince Edward Island. If the minister could address himself for a few minutes to those points, I am quite willing to go on clause by clause, but I would like to get some answers there.

Mr. Ouellet: Mr. Chairman, in replying to the hon. member I would like to indicate that the proposition which I have

submitted, and which has been accepted by the member for St. John's East, is in relation to the people of Virginia Park. Indeed, the program in that area could serve as an experimental project or as a pilot project, and the experience gained therefrom could probably serve in other projects of a similar nature in the future. I hope that the hon. member will appreciate the fact that I would prefer that we restrict the program to one project at this time.

In relation to the Kilbride situation, I notice that the hon. member raised his concern in his speech of March 6. I have asked my officials to report to me. The hon. member just mentioned that he wrote to me about this question. I can give him the assurance that I will come back to him next week with the full details of his question that we will try to help these people if, indeed, what he is conveying to me today, that no taxes have been paid for three years and now they are asked for a very substantial sum of money and that these people are really in no position to absorb these extra costs, is what is happening. We will look into the matter and try to find a more appropriate solution to their financial difficulties.

Thirdly, the hon. member raised the community services program and the agreement in relation to this program with Newfoundland. There has been an exchange of correspondence with the government of Newfoundland, and I can tell the hon. member that I am expecting a response to my last letter from the government of Newfoundland. I told them in a telex some of the answers to their queries, and I am awaiting a response from them. They have indicated to me that they will not sign the agreement until this legislation which we are studying here, Bill C-29, is passed. That is the position of the government of Newfoundland.

When this bill is passed and when the government of Newfoundland has signed this agreement, they will benefit in 1979 by receiving $4.2 million, and in 1980 by receiving $7 million for community services programs. Indeed, there will be consultation between the provincial authorities and municipalities to decide how this money will be spent with regard to neighbourhood improvements, municipal infrastructures, or any other municipal priority.

Finally, in relation to CHIP I will just repeat what I said in response to a previous intervention made by a colleague of the hon. member, that we have received a number of recommendations to improve the tenure of the CHIP program. I will add the recommendations of the hon. member to these. I can see from his intervention that he would like to see the CHIP program be of similar nature as the Home Improvement Program which exists in Prince Edward Island and Nova Scotia. We are looking at this, and I will undertake to give to the hon. member next week the details of the program, how it would affect the people in Newfoundland and the people in Nova Scotia, as he has requested.

Mrs. Appolloni: Mr. Chairman, I would like to ask a question of the minister, and it is similar to the one asked by the hon. member for St. John's West. It is with regard to the community services part of this particular bill. The minister's department and my office have exchanged considerable correspondence about the need for more flexibility especially as regards infrastructures, and particularly the older sewer systems in small municipalities. I am referring particularly to the municipality of York in Toronto.

Would the minister tell me when it would be possible for the municipality of York to take advantage of this community services program, particularly as regards infrastructure?

● (1540)

Mr. Ouellet: Mr. Chairman, in response to the hon. member I can assure her that the list of eligible community services that could be used by the provincial government and by the municipalities in order to take advantage of the program will include planning and installation of sewage treatment trunk lines and plant, in new and existing areas, in order to be sure that we will not make this money available only for new areas but also to help in the repair and reconstruction of existing areas.

It will be up to the municipality concerned to raise this matter with the provincial authorities and make sure that when the allocation is done in the province of Ontario that the government of Ontario accepts such a program being done by the municipalities. I think that the program as it exists is wide enough to allow this to take place.

The Deputy Chairman: Shall the amendment carry?

Some hon. Members: Agreed.

Amendment (Mrs. Pigott) agreed to.

Clause 1 as amended agreed to.

On clause 2—

Mr. Ouellet: Mr. Chairman, I have an amendment to this clause. I think the Chair has already the amendment in its possession as have hon. members of the opposition. I move:

That clause 2 of Bill C-29 be repealed by striking out lines 14 to 26 on page 1 and lines 1 and 2 on page 2 and substituting therefor the following:

"2(1) All that portion of paragraph 5(6)(*b*) of the said Act preceding subparagraph (i) thereof is repealed and the following substituted therefor:

"(*b*) in respect of a loan made to assist in the construction or purchase of a rental housing project or in the alteration of an existing residential structure to add one or more family housing units thereto,"

(2) Subsection 5(6) of the said Act is further amended by adding the word "and" at the end of subparagraph (*b*)(ii) thereof and by adding thereto the following paragraph:

"(*c*) in respect of a loan made to assist in the repair, rehabilitation, conversion or improvement of a rental housing project or in the conversion of an existing non-residential building into a housing project, a fee of seven-eighths of one percent of the amount of the loan." "

The Deputy Chairman: Shall the amendment carry?

Some hon. Members: Agreed.

Amendment (Mr. Ouellet) agreed to.

Mr. Rae: Mr. Chairman, I also have an amendment to clause 2. We have passed copies of this to the minister and to my colleague, the hon. member for Ottawa-Carleton. The subject matter deals with the question of the rights of public

housing agencies to be allowed not to pay the insurance fees charged by CMHC. It provides substantial benefit not only to provinces but also to many municipal housing agencies which would otherwise have to pay substantial fees. I therefore move:

That clause 2 of Bill C-29 be further amended by adding thereto, immediately after subclause (2), the following subclause:

"(3) Section 5 of the said Act is further amended by adding thereto, immediately after subsection (6) thereof, the following subsection:

"(6.1) In the case of an approved loan

(*a*) made to or guaranteed by the government of a province,

(*b*) made to a public housing agency, or

(*c*) guaranteed by the government of Canada pursuant to any other Act,

no insurance fee shall be charged, collected or remitted." "

The Deputy Chairman: Shall the amendment carry?

Some hon. Members: Agreed.

Amendment (Mr. Rae) agreed to.

The Deputy Chairman: Shall clause 2 as amended carry?

Some hon. Members: Agreed.

Clause 2 as amended agreed to.

On clause 3—*1973-74, c. 18 s. 2(1).*

Mr. Ouellet: Mr. Chairman, I have an amendment to subclause 3(1) of Bill C-29. The amendment you have before you had the words "repair, rehabilitation, conversion or improvement of an existing" home. The reason for the amendment is to make sure that a loan could be insured by CMHC not only for the purchase of a home but also for the repair, rehabilitation, and conversion of a home. I think it is an important step in having the private sector finance the repair and rehabilitation of existing homes. I, therefore, move:

That subclause 3(1) of Bill C-29 be amended as follows:

(a) by striking out line 8 on page 2 and substituting the following:

"purchase, repair, rehabilitation, conversion or improvement of an existing";

(b) by striking out line 15 on page 2 and substituting the following:

"loan secured by a mortgage on a house, rental housing project"; and

(c) by striking out lines 17 to 24 on page 2 and substituting the following:

"dominium unit, or

(v) for the purpose of assisting in the"

The Deputy Chairman: Shall the amendment carry?

Some hon. Members: Agreed.

Amendment (Mr. Ouellet) agreed to.

Mr. Ouellet: Mr. Chairman, because of the previous amendment I made I should like to draw to the attention of the House that there are now certain subclauses in Bill C-29 that are no longer necessary. I should therefore like to move:

That subclause 3(2) of Bill C-29 at lines 32 to 41 on page 2 be deleted.

The Deputy Chairman: Shall the amendment carry?

Some hon. Members: Agreed.

Amendment (Mr. Ouellet) agreed to.

Mr. Ouellet: Mr. Chairman, I should like to move:

That subclause 3(4) of Bill C-29 at lines 1 to 12 on page 3 be deleted.

The Deputy Chairman: Shall the amendment carry?

Some hon. Members: Agreed.

Amendment (Mr. Ouellet) agreed to.

Mrs. Pigott: Mr. Chairman, I move:

That subclause 3(5) of Bill C-29 be amended by striking out line 23 on page 3, and substituting therefor the following:

"writing;"

(5.1) Subsection 6(1) of the said Act is further amended by adding thereto, immediately after paragraph (i), the following paragraph:

"(i.1) in the case of a loan made to a builder for the purpose of assisting in the construction of a house, the builder provided the purchaser with a warranty under a warranty program approved by the Corporation;"

The Deputy Chairman: Shall the amendment carry?

Some hon. Members: Agreed.

Amendment (Mrs. Pigott) agreed to.

Mr. Whiteway: Mr. Chairman, I move:

That subclause 3(6) of Bill C-29 be amended by striking out line 29 on page 3 and substituting therefor the following:

'(*a*) to a municipality, a public housing agency or a non-profit corporation for the'

The Deputy Chairman: Shall the amendment carry?

Some hon. Members: Agreed.

Amendment (Mr. Whiteway) agreed to.

Mr. Rae: Mr. Chairman, I move:

That subclause 3(6) of Bill C-29 be further amended by striking out line 10 on page 4 and substituting therefore the following:

"regulations.

(5) An approved lender may, subject to and in accordance with regulations of the Governor in Council made under the authority of this subsection, make a loan to a province, municipality or public housing agency for the purpose of assisting that provinces, municipality or agency to acquire and service land for housing purposes or for any purpose incidental thereto, and such a loan is insurable in the manner provided by such regulations.

(6) Where an approved lender makes a loan to a province, a municipality or a public housing agency, the approved lender may take debentures as security for the loan in lieu of the security mentioned in paragraph (1)(d)."

Mr. Chairman, I know we are rushed but I should like to explain the purpose of this amendment. It represents a substantial change, in our view, to the bill, and also to the direction of government policy to which this party has taken a great deal of exception.

Section 42(1) of the National Housing Act reads as follows:

The Corporation may make a loan to a province, municipality or public housing agency for the purpose of assisting that province, municipality or agency to acquire and service land for housing purposes or for any purpose incidental thereto.

Pursuant to the Greenspan report released in the fall of 1978 it was the government's wisdom that land assembly would no longer become a priority in its housing policy.

This party takes the position that there is increasing evidence that the cost of land is one of the primary elements in housing inflation and has been one of the primary elements in the extraordinary housing inflation in Canada since the mid-1960s. We also take the view that land assembly should remain one of the critical features of the policy of any government that is determined to do something about profiteering in land speculation and the increasing conditions of monopoly in the assembly of land that we see in Canada today.

We are political realists, if nothing else, and we accept the fact that the government has rejected this view and has taken a view that the return to the so-called free market in the assembly of land will provide the best protection for the Canadian public. I think that view is completely misplaced, but it seems to be the view of the government.

One of the things that we have developed in this country in the last few years is that the municipalities are doing something in their own jurisdictions, if they can, to keep the price of land down and to assemble land for their own projects. That is the reason why, since my election last fall, I have asked the minister several questions in the House and in committee concerning land assembly projects in urban areas. I have asked him to change his mind about his policy and to continue to use the powers granted to him in section 42 of the act. I am pleased to see that the minister has agreed, as a compromise, to accept a proposal from this party which would allow municipalities to borrow 100 per cent of the moneys that would be required for the assembly of land within their jurisdiction from private institutions, particularly when dealing with problems of the inner city, and that the government would insure those loans at 100 per cent as it does for many of the other loans that are going to be taken out under the act. But it is not the whole loaf, Mr. Chairman.

• (1550)

If I may say so, the entire approach of the government that the private sector will take up the slack left by the government is a point of view which we do not share. We think there is a continued need for active participation by CMHC and by the government, both as a lender and as a grantor of moneys, not only to municipalities but also to co-operative groups and municipal housing corporations. This view has been rejected by the government. They are falling over themselves to become better new conservatives than the Conservatives themselves. Be that as it may, the amendment we have put forward is an important one. It is an improvement on the bill. It is something which has been asked for by many municipalities. I know it is of concern to the housing corporation of the city of Toronto. It will allow that city and that corporation to continue to become actively engaged in the provision of housing for people, and I think it represents an important advance on the bill itself.

Mr. Watson: Mr. Chairman, I am speaking on the same point and relating the point raised by the previous member to the question which I raised during my speech on second reading. I mentioned the very serious case that is occurring on the Caughnawaga Reserve and on a number of other Indian reserves located close to cities. There are situations where executors of estates and individuals are forced to sell land holdings, in effect, at fire sale prices.

Indians can sell only to other Indians. This ends up in a situation where few people on a number of Indian reserves are collecting huge parcels of land. It is creating an unhealthy imbalance. My question is this: if the amendment as proposed by the NDP is accepted, whereby private moneys would be insurable for purposes of land assembly by municipalities, would this require any further amendment to have this provision extended to Indian reserves?

Mr. Ouellet: Mr. Chairman, in the bill there is a special clause which deals with the financing of housing on reserves. We have improved the bill. You will find this clause at the bottom of page 3 where loans to Indians will be allowed.

[*Translation*]

With this bill, we will now be able to provide loans to Indians living on reserves.

[*English*]

Mr. Watson: Mr. Chairman, I am aware of that. The point is the land assembly provisions, which the hon. member who preceded me made reference to, and whose proposed amendment, I understand, is acceptable. Will they require further amendment to the act to render Indian reserves eligible for what has been proposed in the previous member's amendment?

Mr. Ouellet: Mr. Chairman, subject to correction, I believe the land on reserves belongs exclusively to the government or to Indians on reserves. It cannot belong to anyone else. Therefore via the Department of Indian Affairs and Northern Development there could be some specific projects undertaken by the department in relation to this land, but I believe that in reference to specific projects Indians on reserves will now be eligible for loans for projects insured by CMHC. As far as ownership is concerned, that is a much more difficult aspect which has to be dealt with not by my department but by the Department of Indian Affairs and Northern Development.

Mr. Watson: Mr. Chairman, I realize the minister is being sympathetic, but I just want an assurance that we can assemble land on Indian reserves in the same way that it is proposed for municipalities. The land assembly will be done by the band council on behalf of the people of the reserves. Perhaps there could be some consultation with the minister's officials, but all it requires is simply to make sure that in what we are doing today we give band councils exactly the same power as we are proposing to give municipalities, that is, to assemble land with a loan from private industry guaranteed by ourselves.

Mr. Ouellet: This bill gives this authority to public housing agencies, being agencies of the federal, provincial or municipal governments. It does not specifically address the question of bands because that question is not within my jurisdiction but within the jurisdiction of the Minister of Indian Affairs and Northern Development. I regret therefore I cannot give these

assurances to the hon. member. To do so I will have to consult first with my colleague, the minister responsible for Indian Affairs and Northern Development.

[*Translation*]

Mr. Gauthier (Ottawa-Vanier): Mr. Chairman, one of the changes proposed which I find rather interesting concerns subclause 6 which states that the approved lender making a loan to a province, a municipality or a public housing agency may take debentures as security for the loan in lieu of the security mentioned in paragraph (1) (d), which states:

(d) it is secured by a first mortgage—

Does this mean, Mr. Chairman, that from now on a municipality can provide debentures as security for the projects or the works it undertakes?

Mr. Ouellet: Yes, Mr. Chairman, this will indeed give more financing flexibility to the municipalities, and in many cases, they can obtain financing only through debentures.

[*English*]

The Deputy Chairman: Shall the amendment carry?

Some hon. Members: Agreed.

Amendments agreed to.

Clause 3 as amended agreed to.

Clause 4 agreed to.

On clause 5—

Mr. Whiteway moved:

That clause 5 of Bill C-29 be amended as follows:

(a) by striking out lines 34 and 35 on page 4 and substituting therefor the following:

"insured loan described in subsection 6(4) of (6) or made under a graduated"; and

(b) by striking out lines 5 and 6 on page 5 and substituting therefor the following:

"the Corporation, according to a formula incorporated in the mortgage"

He said: I should explain that my amendments deal only with very small sections of the bill. What are more operative are the regulations that will accompany this legistation. I would like an understanding from the minister as to what the regulations will say.

This clause on deals with the graduated payment mortgages which replace AHOP. As we know, AHOP was based on two principles, one of inflation, that is, that the value of the house would go up; second, that the income of AHOP families would increase substantially and they would be in a position to pay back the subsidy at the end of the first five-year term when they went on to the regular mortgage. We say that it did not take place and so we saw the massive defaults and walk-aways. To make sure we do not have a repeat performance on GPMs, I would like an assurance from the minister.

The formula outlined by regulation, that is, the existing formula, would be 5 per cent down and the initial payments would be 75 per cent of the normal level of payment. The compromise, which is the formula that I am talking about and on which I would like to get agreement with the minister, would be as follows: 10 per cent down. Half of that 10 per cent, 5 per cent of the down payment, would be in cash. The other 5 per cent would be put in an interest bearing savings account which would accumulate over the first five years, and the purchaser would have a cash equity in his home.

● (1600)

In the case where it is co-operative housing, where there is sweat equity as opposed to cash equity, the 10 per cent in terms of the 5 and 5 would be determined by the approved lender. Co-operative housing, rather than have any cash down or the 10 per cent, would be equity vis-à-vis the sweat equity. Otherwise, without these changes the GPM would be morally indefensible in terms of financing.

Although the minister could not put this in regulation, I hope that the GPM would be applied to those Canadians who would be in the higher income mobility group. To base a GPM on anything else, simply to say that inflation would increase a person's income, is to count on inflation in order that a person will be able to pay for his home. When we form the government there will be deflation. They will not be able to count on inflation. GPMs can only work if real disposable income increases.

We are talking about applying the GPM only to families which have an obvious high income mobility so that the real disposable income five years from now would be substantively and substantially more than it is outside the GPM.

I conclude with those remarks, and with the assurance of the minister that the regulations as I have outlined will be changed to the 80-10 formula, and half in the case of cash, other than the co-ops, that 5 per cent would be in an interest bearing savings account to ensure at all times a cash saving and that the mortgage would never be in a net debt equity position.

Mr. Ouellet: Mr. Chairman, I am very happy to see this amendment moved by the hon. member. I support him in his amendment. I want to thank him for making constructive suggestions to this clause of the bill. I agree with him that the graduated payment mortgage should present some advantage and might represent some disadvantage. His amendment will indeed be a sort of safeguard to alleviate any difficulty down the line.

I want to assure the hon. member that Central Mortgage and Housing Corporation will have the appropriate regulation to ensure that in relation to these insured loans there will be a 10 per cent down payment. That will be put specifically in the regulation. In relation to the initial payment, we will ensure through the regulations that initial payments are never less than 75 per cent of what the level of payment mortgage would normally have produced.

In relation to the other aspect that the hon. member has raised, whether it should be 5 per cent cash down and 5 per cent, I think that aspect should be left entirely to the lending institutions. I agree that it could be a feature and we have no

objection to it. However, I would prefer that it be left to the financial institutions to decide.

Mr. Pinard: Mr. Chairman, I rise on a point of order. There have been consultations and I believe it is unanimously agreed that you not see the clock for the next 25 minutes or so in order that we complete this stage of the bill. I think there is unanimous agreement.

Some hon. Members: Agreed.

Mr. Rae: Mr. Chairman, I want to make quite clear our position on the graduated payment mortgage scheme. The position that our party has taken consistently has been that there is a need for a home ownership assistance program, but that this is a phony solution to a very serious problem.

The graduated payment mortgage scheme in fact creates a higher level of debt for the individual and his family than would otherwise be the case in taking out an equal payment mortgage, the kind of mortgage most people have. It is an attempt to sugar the very unpleasant pill of inflated mortgage payments and inflated interest rate payments. It is not a solution to that problem.

The position of this party has been that rather than allow the banks to pick up profits at the expense of people on the basis of a government policy of having a high interest rate, and their profits are nearly $1 billion, we should be instructing the lending institutions to begin providing lower mortgage rates for families below a certain level of income. That deals with the problem of interest rates directly, not indirectly as this does. It does not saddle people with a higher level of debt than they can afford.

The premise upon which the whole concept of graduated payment mortgages is based is twofold. The first premise is that inflation will increase the value of the house automatically. The second premise is that incomes will continue to increase and the level of income of a family will be constant and will increase over time.

Both those assumptions are false and very dangerous. There is no telling what inflation will do to the value of a house or what it will do to the value of a house relative to the cost of living. The fact is that in the past two years the rate of inflation has surpassed the increase in the value of existing housing stock.

The second premise on which it is based is equally false. It is that we are going to have guaranteed employment for both wage earners in the family and that those people will be working at a higher level of income five years from now. That is a false premise. With the nature of the economy which has been created and encouraged by this government, we know that there is an increasing prospect of unemployment amongst men and women, that families can no longer rely on two salaries in order to pay the GPM, and that people will not necessarily be able to afford the kinds of payments required by the GPM scheme.

I know that the headlines say this is a home ownership program designed to help young families purchase homes. The minister's public relations are very good. I congratulate him on them. However, the press should look very carefully at the hard facts as to exactly what this kind of scheme will cost individuals as compared to existing schemes. Compare what it would cost an individual if we had the courage in this country to take on the lending institutions and told them to lower their interest rates. There is no comparison.

Instead of going around the circle of the problem and attempting to make high interest rates more palatable to people, the government should be determined to hold down interest rates and, in fact, lower the rate of interest. In our view that is the best, most effective, and most honest way to get hold of the problem of mortgage payments for young people.

• (1610)

Mr. Whiteway: Mr. Chairman, I want to underscore what has been said by my new friend from Broadview—

An hon. Member: Socialist!

Mr. Whiteway: His comments are well taken. I do not necessarily agree with the solutions he offers but he was certainly able to identify with the problem. I want to underscore that GPMs can work only if they are applied to families with high income mobility. This is where they have been successful. They are not a financing instrument to be used for low income Canadians. Let it be clearly known that we in the Progressive Conservative party do not endorse the scheme in such circumstances though we recognize it as being a useful tool in the case of families with high income mobility.

Amendment (Mr. Whiteway) agreed to.

Clause as amended agreed to.

On clause 6—*1974-75-76, c. 38, s. 4.*

Mr. Ouellet: Mr. Chairman, I should like to move:

That Bill C-29 be amended by adding thereto, immediately after line 18 on page 5, the following clauses:

"6.1(1) Paragraph 28(1)(*d*) of the said Act is repealed and the following substituted therefor:

"(*d*) the principal amount of the loan did not at the time of the making of the loan, together with the amount owing in respect of other guaranteed home improvement loans previously made to the borrower in respect of the home on which the loan was to be expended and disclosed in his application or of which the bank or approved instalment credit agency had knowledge, exceed ten thousand dollars in respect of each family housing unit;"

(2) Paragraphs 28(1)(*f*) and (*g*) of the said Act are repealed and the following substituted therefor:

"(*f*) the loan was repayable by the terms thereof in monthly instalments and in full in not more than twenty-five years;"

6.2 Section 30 of the said Act is repealed and the following substituted therefor:

"30. The Corporation is not liable under this Part to make any payment to a bank or an approved instalment credit agency in respect of any loss sustained by it as a result of a home improvement loan or a home extension loan made after the aggregate principal amount of guaranteed home improvement loans and guaranteed home extension loans equals nine hundred million dollars."

Amendment (Mr. Ouellet) agreed to.

The Deputy Chairman: Shall clause 6, as amended, carry?

Some hon. Members: Agreed.

Clause 6 as amended agreed to.

On clause 7—*1973-74, c. 18, s. 12; 1974-75-76, c. 38, s. 11.*

Mr. Ouellet: Mr. Chairman, I move:

That clause 7 of Bill C-29 be amended as follows:

(a) by striking out lines 21 and 22 on page 5 and substituting therefor the following:

"34.1(1) The Corporation may, in such circum-";

(b) by striking out line 13 on page 6 and substituting therefor the following:

"(*a*) bear";

(c) by striking out lines 28 and 29 on page 6 and substituting therefor the following:

"(*b*) not exceed such";

(d) by striking out lines 32 and 33 on page 6 and substituting therefor the following:

"(*c*) be for a term not"; and

(e) by striking out lines 44 to 49 on page 6 and substituting therefor the following:

"building in favour of the Corporation or by such other security as the Corporation deems adequate to safeguard its interests; and

(*e*) subject"

Amendment (Mr. Ouellet), agreed to.

Clause 7 as amended agreed to.

Clauses 8 and 9 agreed to.

Mr. Ouellet: Mr. Chairman, I move:

That clauses 10, 11 and 12 at lines 1 to 48 on page 8 and at lines 1 and 2 on page nine be deleted.

The Deputy Chairman: The Chair would suggest that the motions be put separately. If members wish the clauses deleted they will vote against them. Shall clause 10 carry?

Some hon. Members: No!

The Deputy Chairman: Shall clause 11 carry?

Some hon. Members: No!

The Deputy Chairman: Shall clause 12 carry?

Some hon. Members: No!

Mr. Knowles (Winnipeg North Centre): Resign!

Clauses 10 to 12 inclusive negatived.

On clause 13—

Mr. Ouellet: Mr. Chairman, I move:

That clause 13 of Bill C-29 be amended by striking out line 16 on page 9 and substituting therefor the following:

"incurred, or paying for the results obtained, in the provision, development,"

Amendment (Mr. Ouellet) agreed to.

The Deputy Chairman: Shall clause 13, as amended, carry?

Mr. Rae: Mr. Chairman, we have recommended an amendment as follows, and which I move:

That clause 13 be amended by striking out lines 30 to 38 and

What I would like to do is simply explain what the purpose of this amendment is with respect to the community service grants program. The community service grants program proposed by the government is part of its effort to appease the provinces and cut off its direct relationship with the municipalities. The community service grants program is not only intended to replace the neighbourhood improvement program as has been suggested by some people, it is intended to replace this program together with a vast number of other programs which I would like to list, including sewage treatment, trunk lines and plants, community water supply facilities, trunk storm sewer systems, sewer and water site services, social and cultural facilities, community recreational facilities, non-profit housing in municipal equity, upgrading and insulation of municipal buildings and community facilities, facilities which convert municipal waste to energy production and any municipal capital works specified in the federal-provincial operating agreement.

The complaint we have about this entire concept, is that the government, in getting out of this area and limiting its activities to giving a bloc fund to the provinces, will have the effect of cutting out the neighbourhood improvement programs. This is because the amount of money allocated by the federal government to the provinces will so quickly be absorbed by basic infrastructure expenditures. In other words, the money being spent on sewer systems and so on—the very important work of neighbourhood improvement which goes on in many of our urban centres—will simply go by the board and be taken over by the building of basic infrastructure. This is why we have opposed the entire concept of a community service grants program which, we say, will do nothing but bring to an end those neighbourhood improvement projects and those cultural and community recreational facilities which are so important to people living in our urban areas.

In our view it also represents a dangerous tendency on the part of the government to abandon important areas of jurisdiction—and I think they can be argued as being under federal jurisdiction—at a time when cities and communities are starved for funds and continue to look to the federal government for leadership and for assistance. The federal government is cutting those groups off and saying, "Nothing doing, boys, you can go back to the provinces." I think this is not only politically a very big mistake in that it means that people will no longer look to the federal government for leadership at a time when they should be able to do so, but philosophically, and at a social level, it represents an abandonment by the government of people living in our urban areas. I think it is a major mistake.

We have therefore suggested two proposals which the government has accepted. The first is that rather than impose a statutory limit of $250 million on the community service grants program, there should be no statutory limit to the money spent. The second proposal is that the bill shall last for two years. One of the things mentioned by my colleague and occasional travelling companion from Ottawa-Carleton was—

Some hon. Members: Oh, oh!

Mr. Rae: We went to Washington together, that's what I was referring to. The delays in the implementation of this program and the fact we had to wait for over a year before the government could make up its mind as to what it wanted to do, have meant that many municipalities have been without funding, without projects, without guidance—and the hon. member for Algoma knows precisely what I am talking about—for an exceptional period of time. Municipalities have been waiting for an assured level of funding so that they could put forward their projects, get facilities built, instal their sewage lines and soon. These needs have not been met because of the federal government's indecision and its inability to come to agreement with the provinces.

We have therefore proposed that we have a guaranteed two-year limit to this funding. Let us have the program clear and have it last a specific length of time so that people will know to which agency they are supposed to apply to get funding. They are tired of that old shell game, which I am sorry to say has only been encouraged by the minister, of one level of government saying to another. "Go to the other level." It is time that shell game was brought to an end. In order to do that, the period during which this measure will take effect should be clearly stated in the bill itself. That is why we have extended it to cover the period we have suggested.

● (1620)

The Deputy Chairman: Shall the amendment carry?

Some hon. Members: Agreed.

Amendment (Mr. Rae) agreed to.

Clause 13 as amended agreed to.

Clause 14 and 15 agreed to.

On Clause 16—*Rights Saved.*

Mr. Ouellet: Mr. Chairman, I move:

That clause 16 of Bill C-29 be amended by redesignating that clause as subclause 16(1) and by adding, immediately after line 30 on page 11, the following subclause:

"(2) The Canada Mortgage and Housing Corporation is authorized, after section 15 of this section come into force, to use any document or means of identification then existing in the name of the Central Mortgage and Housing Corporation, until it is able to obtain equivalent documents or means of identification in the name of the Canada Mortgage and Housing Corporation."

Mrs. Pigott: Mr. Chairman, this has been a wonderful afternoon, and there has been much unanimity, but if we do agree to change this name I wonder if we might make an announcement to the effect that this corporation will be under new management.

Amendment (Mr. Ouellet) agreed to.

Clause 16 as amended agreed to.

Clause 17 agreed to.

Title agreed to.

The Deputy Chairman: Shall I report the bill?

Some hon. Members: Agreed.

[Mr. Rae.]

Bill reported.

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

Mr. Ouellet: Mr. Speaker, I rise on a point of order. Is the hon. lady—

Mrs. Pigott: I'm coming.

[*Translation*]

Mr. Ouellet: Mr. Speaker, I rise on a point of order. Since we have had very positive discussions yesterday and today with opposition spokesmen to allow us to move certain amendments to this bill and make this legislation quite acceptable to the four parties represented in this House, I wonder if it would be possible to ask the unanimous consent of the House to have third reading of this bill immediately without debate in view of the spirit of co-operation which has been shown to improve this bill.

[*English*]

The Acting Speaker (Mr. Turner): Is that agreed?

Mrs. Pigott: Mr. Speaker, I know we have had a very good afternoon, but I do not think we are in a position to proceed to third reading at this moment.

Mr. Knowles (Winnipeg North Centre): The bill should be reprinted anyway.

Mr. McGrath: Mr. Speaker, if I could—

The Acting Speaker (Mr. Turner): When shall the bill be read the third time? At the next sitting of the House?

Some hon. Members: Agreed.

* * *

BUSINESS OF THE HOUSE

Mr. Pinard: Mr. Speaker, I rise on a point of order. I understand that third reading of Bill C-29 will take place at the next sitting of the House, but I am rising with regard to another bill. Would Your Honour be kind enough to call Bill S-6? After consultation there is agreement that Bill S-6 be read the third time today without debate.

Mr. Ellis: Mr. Speaker, in the spirit of cordiality we have had this afternoon we are quite prepared to let Bill S-6 go through. Unfortunately, some members of my party wish to speak briefly at the third reading stage of the housing bill.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, with respect to the question regarding Bill S-6, we are prepared to agree. We hope that these agreements on our part will be reciprocated one of these days.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I note the proposition or the suggestion just made by the Parliamentary Secretary to the Deputy Prime Minister and President of the Privy Council about Bill S-6. I would have liked very much to participate in the debate yesterday because it is a very important bill.

On the other hand, I always take into consideration the wisdom of my colleagues and as this bill came to the attention of the House and everything was done to give it careful consideration, so as not to delay it I am prepared to agree to the third reading of this bill, as proposed, provided I keep the possibility at a later date to ask for a revision, if necessary, because it is a very important bill and one on which we will necessarily have to come back to sooner or later. I agree for the time being.

[*English*]

The Acting Speaker (Mr. Turner): Is that agreed?

Some hon. Members: Agreed.

* * *

SHIPPING CONFERENCES EXEMPTION ACT, 1979

MEASURE TO EXEMPT CERTAIN PRACTICES FROM PROVISIONS OF COMBINES INVESTIGATION ACT

Hon. André Ouellet (for the Minister of Transport) moved that Bill S-6, to exempt certain shipping conference practices from the provisions of the Combines Investigation Act, be read the third time and do pass.

Motion agreed to.

Some hon. Members: Four o'clock.

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

PRIVATE MEMBERS' MOTIONS

[*English*]

Mr. Pinard: Mr. Speaker, there is unanimous agreement that we should proceed with the motion in the name of the hon. member for York-Sunbury (Mr. Howie), and I wish to thank him for his co-operation in letting us proceed with Bill C-29.

The Acting Speaker (Mr. Turner): Shall motions Nos. 7, 9, 16, 19, 20, 21 and 22 stand by unanimous consent?

Some hon. Members: Agreed.

Maritime Transportation

TRANSPORTATION

SUGGESTED STUDY OF NEEDS IN MARITIME PROVINCES

Mr. J. Robert Howie (York-Sunbury) moved:

That the Standing Committee on Regional Development be empowered to study the concept of using transportation as a development tool by putting in place a modern transportation network in the Maritime provinces, incorporating bus, train, highway and air services, and report back to the House its findings on the desirability and the best ways and means of achieving such a concept.

He said: Mr. Speaker, we must focus the attention of all departments of government on the issue of regional development if we are to succeed in helping Canadians who live in the Atlantic provinces to help themselves. Transportation is of paramount importance to the region, and since it is related directly to the whole question of regional economic expansion I want it placed before the appropriate committee of this House to be considered and dealt with, within the total context of that committee's mandate.

Before I suggest that air transportation ban be improved in the maritime provinces, I have to tell the House that it is our best mode of transportation available at this point in time. The problem is that we do not have enough direct flights within the maritimes and between points in the maritimes and points in central Canada and northern parts of the United States. We do not have these flights because we do not have enough volume of trade to make them pay. Even with the large subsidies which are paid to air carriers, we still have difficulty in providing the numbers that are needed to make it a good, efficient operation.

The sad fact is that we are never going to have the numbers or the trade unless we first have the service, and therein lies the key to our basic problem in transportation in the Atlantic provinces. A high quality of air cargo service is absolutely essential if Atlantic Canada is to develop a good industrial and commercial base. In this regard some of the larger firms in the Atlantic provinces have purchased their own planes.

Rail passenger service and, to a degree, rail freight have not really been given a good chance in the Atlantic provinces because the railways have allowed their rail beds to deteriorate to the point where trains move very slowly, and the equipment they use, particularly with respect to passenger service, is generally 25 years of age or older. Depending heavily on the United States for reefer cars which the railways rent or buy, our potato industry has been affected detrimentally by the shortage of equipment.

● (1630)

The gateway to commerce in the maritimes is the deep water ports of Halifax and Saint John which, because of their advantageous geographic position, can become arteries of commerce in an expanding trade environment if the ports are properly equipped with modern facilities. Improved terminal storage and handling facilities are badly needed in the Atlantic provinces.

Highways in the Atlantic provinces are the principal arteries of commerce and they are carefully preserved by our highway

departments. Highway weight restrictions are essential in the spring to preserve the roads for use during the balance of the year. This means, of course, that truckers have to operate with limited loads and therefore make more runs to achieve the same volume of traffic, which adds considerably to the cost of transporting goods.

The economy can be stimulated by an improved highway network. Four lane highways can be built in many instances on existing rights of way, and with two lanes going in each direction, turn and elevation gradients require less expense to permit safe passage than is the case with single lane roads. This significant saving would go a long way toward paying for the additional pavement.

These more modern highways are not as much in evidence in the maritimes as they should be because, without federal aid, our provincial governments have not the funds to build them. In New Brunswick, for example, I feel the federal government should participate financially in a ring road around Fredericton, the new highway bridge across the river at Fredericton, and a four lane highway connecting Fredericton, the capital city, with the port of Saint John.

When approached with such concepts, the federal government is only too quick to suggest that current traffic needs do not warrant such expenditures. New Brunswick's five-year highway and bridge program which contained such a concept was discouraged by this government only two years ago. The point I am making is that the traffic will never warrant such highways unless the highways are built to stimulate development and thus develop the population that would warrant the highways.

Despite all the subsidies, freight rates remain too high because they are too high to begin with. We had a good example of this before the Standing Committee on Transport and Communications on May 31, 1977, in reference to our very important New Brunswick forest products. A comparison was made between the rates in New Brunswick and in British Columbia, and on raw wood products we found that rates in New Brunswick were 60 per cent higher.

Instead of paying increasing freight rates to ship our farm produce to distant markets and buying back cooked meats, bottled jams and canned vegetables, we urgently need a fundamenal change in our transportation and DREE policies to enable us to develop plants to purchase and process local products in New Brunswick for sale in New Brunswick and across Canada, and, through tariff changes, to our natural trading partners along the Atlantic seaboarb. We have the resource potential to supply and operate plants to process cheese, meats, fruits and vegetables, to name only a few. I urge the government to invest in the future of New Brunswick and to take this giant step in creating good jobs and markets for our farming community. My remarks apply equally to Nova Scotia and Prince Edward Island.

The simple concept that we must ask ourselves in terms of transportation cost is, "How much does it cost to get a product to market economically? How much does it cost to get it there now?" Any difference in cost must demand a subsidy, or a roll back in freight rates. A user-pay concept cannot achieve this purpose.

The railways should be required to retain, modernize and upgrade the service they presently give to the total area of the maritimes. Better rail freight cars are absolutely essential for shippers, particularly for agricultural products, and the integration of rail freight and passenger service with other forms of transportation is an important step in developing an efficient transportation system.

The federal government should not simply content itself with giving a department such as DREE a limited degree of authority. It should establish machinery which would produce co-ordinated results and which would, in terms of regional economic development, co-ordinate the policies of all departments, particularly, transport and finance, with the policies being followed by DREE.

I cannot emphasize too strongly the importance of co-ordinating efforts within departments of the federal government. It is also necessary to co-ordinate the efforts of the federal and provincial governments, especially in the Atlantic region. The three maritime provinces have improved their machinery for interprovincial co-operation, but we are still a long way from a plan of development for the region in which each provincial government and the federal would play a co-ordinating role.

DREE should get away from the idea that its main responsibility is to provide industrial incentives to entrepreneurs who wish to move into the Atlantic area, or to local businessmen who want to expand their present operations, or a series of ad hoc programs providing valuable services but on a small piecemeal scale. DREE should be doing far more than that. It should be looking hard at the big jobs crying to be tackled. For example, what has DREE done about the Fundy tidal power project? Nothing. It is very convenient for the government, whenever Fundy is seriously mentioned, to be able to pass it off to a study, or a commission, or a committee, which it knows full well can stall the project another year or another decade. Why is DREE not brought into these discussions? Why is not DREE handed the responsibility of correlating these studies? Why is not DREE given the job to do?

DREE was created to lead the attack on regional disparity. Like Uriah the Hittite, it was to be thrust into the forefront of battle, there to do or die. But DREE stayed in the background when the big conflicts raged. It handed out its grants and loans to justify its existence and failed miserably to take hold of the big projects which the Atlantic provinces have needed for generations. In short, it avoided the massive development undertakings without which the Atlantic provinces will always remain what they are today—the most neglected part of Canada.

I am an infrastructure man. I will always be an infrastructure man, for infrastructures are the only hope of getting Atlantic Canada into a position of parity with the rest of the country, a position from which it can stay caught up. Millions of dollars in piecemeal grants over the years have done nothing

but keep us from sliding farther behind, and that itself is an achievement. The dole has failed.

Now it is time to develop a bold and imaginative policy of regionalism, the principle of special aid to the Atlantic provinces on a massive scale—where mere millions have been parceled out to keep the wolf from the door, billions are needed; billions not in spending but in investment—investment in permanent and lasting projects which will bring the Atlantic provinces to equal-partner status with the other six, and which will dispose of the need, once and for all, of the subsidies and handouts which have always been associated with us as a backward area.

I believe that the infrastructures necessary for economic growth involve water, power, roads, railways, port facilities, sewers, schools, universities and research establishments, among others.

The provision of infrastructure should be an important part of the operations of DREE, which must launch a mighty drive to get the job done. DREE must have the powers to provide assistance by direct action, and by action through the provincial governments to create the necessary infrastructures.

DREE was launched with great fanfare as the answer to all of our economic problems. It did not take very long, however, for the Atlantic provinces to realize what DREE was—just another federal agency handing out grants and loans and doles and shirking the responsibility of getting to the fundamental problems of the area, of spearheading the mighty projects which common sense tells us must be the cornerstones of Atlantic prosperity—the Fundy tidal power project, the development of the ports of Saint John and Halifax, and an Atlantic transportation policy which would provide modern high speed highways to transport agricultural and forest products, parts for manufacturing industries, and other goods to world markets via the ports of Saint John and Halifax, and by land, air and rail to Canadian markets.

Development of the ports of Saint John and Halifax as major growth centres connected to all parts of the maritimes by modern transportation systems is basic to the development of our region. These two ports jut far out into the Atlantic and can receive the largest tankers in the world and offer a transportation facility to the whole Atlantic seaboard which is not blessed with such a natural advantage.

Not one of these projects came under the aegis of DREE. After nine years of DREE, the positions of each of these projects are exactly as they were when DREE was created—in limbo.

I believe that new policies should show a willingness to get to the basics of the Atlantic economics and to put first things first. There has to be a new set of priorities, and the projects I have mentioned have to be in the top echelons of those priorities.

On a New Brunswick note, I want DREE and New Brunswick to work out a five-year plan of highway development that will put in place a modern and efficient network and, among other things, study the concept of a north-south highway running from St. Andrews through Fredericton to Campbellton, connecting to other major arterial highways which lead to other New Brunswick centres. The study should consider not only the important transportation function but the potential of the highway in developing resources, recreation and tourism in the interior of the province.

● (1640)

I am receiving more and more support in my campaign for Atlantic infrastructures. Some of my colleagues have joined me. I would hope for the support of more of them; the support of all Atlantic members as well as that of the minister responsible for DREE. I am not asking for the moon. I am asking for fair treatment in an area with problems no amount of subsidies and grants can solve if a solid base is not laid down.

Give us the Fundy tidal project and the maritimes will become the powerhouse of the continent, with Canadian, American, British, French and Japanese interests clamouring to invest. Give us the modern highways, rail lines, bus and air systems, and the shippers, travellers and tourists will come to our area as we come in time closer to the markets and attractions of central Canada, and vice-versa. Give us the port developments, and the great tankers and container ships of the world will come to us in armadas of profit. In short, give us the infrastructures and let them form the foundation. Then the rest of Canada can forget the subsidies, grants and handouts which they have been forced to provide us, often against their will, for the simple reason no one has ever had the common sense, foresight and resolution to face facts squarely and give us the tools with which we can put our own house in order.

I want the Prime Minister of Canada (Mr. Trudeau) to convene a meeting of the Minister of Regional Economic Expansion (Mr. Lessard) with the premiers of all Atlantic provinces to devise a regional development strategy, to build modern infrastructure and identify areas of comparable natural advantage, committing the resources of our nation to develop them. Once we have a modern infrastructure in place and have identified the areas for regional development which should fit into a national industrial strategy, then we require the personal attention of the Prime Minister to focus the resources of our nation in a determined effort to develop the Atlantic provinces.

I thank the House for providing me with this opportunity by allowing private members' business to go forward this afternoon.

[*Translation*]

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, it gives me great pleasure to take part in the debate this afternoon as it provides me with an opportunity to set the facts straight. I just listened to the hon. member who spoke before me and who is a colleague from New Brunswick and in a certain way I think I am happy to be sitting on this side of the House rather than the other side, because he just gave us an absolutely exaggerated picture, a most gloomy picture not to say that he just put a host of half-truths on the record. So I

would like to use the few minutes I have to set the record straight.

[*English*]

In participating in this debate on the motion presented by the hon. member for York-Sunbury (Mr. Howie), let me first emphasize that DREE is very pleased to be able to discuss its role in the transportation sector of the maritime region. My government and I share the view that transportation is most important to the development of the maritime region, and that indeed the government, DREE in particular, has been and should continue to be very much involved in the important sector of transportation.

I should like to take the opportunity to quote some figures which speak for themselves. DREE has been in existence from 1969. The combined provinces of Prince Edward Island, Nova Scotia and New Brunswick, under programs which have since concluded or under ongoing ones, have received in the field of transportation from the Department of Regional Economic Expansion a sum total of $353.5 million. DREE funds apply to the important infrastructure of transportation in the Atlantic area. My own province of New Brunswick has received its fair share under this program, the sum total of $118 million so far.

All hon. members now know that more programs are being negotiated and discussed. This is quite a record, and I am sorry the hon. member who has just sat down did not refer to DREE's involvement in the effort to improve the entire transportation structure in the Atlantic area.

I am not only referring to roads, paving, or roads to resources, but DREE has been involved in marine transportation. For example, it was involved in the Miramichi channel dredging study. It has been involved in port improvement facilities in Saint John. Contrary to what the hon. member has said, we are involved there on a continuing basis, and we are prepared to receive further submission from the province of New Brunswick. In spite of the fact that it is not its primary field of jurisdiction, DREE has become involved in airport construction in my riding. I am grateful to DREE for that contribution and participation, and I am looking forward to even greater participation.

There is no basis whatsoever for the hon. member to suggest that the government, DREE, and the Department of Transport, have not been involved seriously in ongoing discussions with the provinces. DREE has been involved even in fields which come under the primary jurisdiction of the provinces. DREE has gone into fields which have been the traditional reserve of New Brunswick, Nova Scotia, and Prince Edward Island because it is committed to improving the over-all infrastructure of Atlantic Canada since its establishment in 1969.

However, it appears that the motion proposed by the hon. member either reflects his lack of understanding of maritime transportation issues, or his lack of knowledge as to what DREE and the Department of Transport have been doing in this important area of endeavour. In the next few minutes I should like to tell the House of the work, planning, efforts, and the money which has been and indeed is being spent on transportation projects and undertakings in the maritimes by DREE and the Department of Transport, so that it may be realized that the motion proposing "the Standing Committee on Regional Development be empowered to study the concept of using transportation as a development tool" in fact is inappropriate, redundant, and comes after action already is under way in the context of DREE's related efforts in the Atlantic region today. Also this is an opportunity to outline to hon. members the many initiatives taken by the Department of Transport to illustrate most clearly just how transportation is being used as a development tool in the Atlantic area. Many of these initiatives are a direct result of the consultative efforts of both federal and provincial officials and representatives of the private sector working together to improve the transportation system of the region at a time of severe restraint.

The hon. member has indulged in some local politics. He suggested that the federal government should share in the cost of the building of a bridge across a river in his riding. I think that is carrying it a little too far. There is a limit to what the federal government should be involved in with the provinces. Transportation, road transportation and bridge building, were and still very much are provincial responsibilities under the constitution. To want to drag the federal government into all phases of infrastructure building in the realm of their jurisdiction indeed is an exaggeration in the sense that these people are attempting to milk the federal cow to death.

● (1650)

Perhaps the best example of the fruits of our ongoing consultative process is the Atlantic Provinces Transportation Program announced almost two years ago in co-operation with provincial first ministers. This program was the result in part of a joint federal-provincial passenger transportation study embracing all modes. Subsequent to the study, a total of $125 million of Transport Canada money—this is above and beyond the figure I quoted just a few minutes ago of $350 million contributed by DREE—was allocated by the federal government for bus, highway and air services in the Atlantic provinces.

Surely the mere indication of those figures would indicate that the hon. member for York-Sunbury has not given the House the full story of the government's involvement in regional development in the maritime provinces, in New Brunswick, Prince Edward Island, and certainly in Nova Scotia. As far as DREE is concerned, I would point out that important references to transportation are, indeed, enshrined in the General Development Agreements as negotiated by DREE on behalf of Canada with the provinces of New Brunswick and Nova Scotia, as well as in the comprehensive development plan negotiated with Prince Edward Island.

In New Brunswick the general development agreement specifically recognizes the importance of the service sector to the province's economy, and pledges to implement a development strategy which will encourage the expansion of this sector. Transportation and distribution are cited as important components of New Brunswick's service sector. In Nova Scotia the general development agreement for that province specifi-

cally identifies distribution and transportation related industry as being of prime importance to the development strategy of that province.

The Prince Edward Island comprehensive development plan highlights the importance of adequate and reasonably priced transportation as an essential part of that province's developmental strategy. The plan also pledges to upgrade, where necessary, the island's network of resource collector and arterial roads and the feasibility of additional container service and other methods of moving freight are cited as worthy of joint study under the plan, as is the critical issue of the distribution of island potatoes and other bulk produce. That also applies to New Brunswick.

Both DREE and Transport Canada, in extremely close co-operation with provincial civil servants and politicians, have sat and studied these matters almost to the absurd. However, they did not stop at the study. They went ahead with a plan of action agreed to by all the parties. All the parties concerned are keeping an eye on the situation as it develops with a view to improving that infrastructure still more.

Through the general development agreements which were signed with the provinces, DREE has the mandate to pursue development opportunities in the maritime region in order to reduce the disparity gap. As it turns out, the general development agreement concept, with it's jointly agreed to strategy, is indeed proving to be a most flexible development tool to implement any indentified component of the region's transportation needs. Almost since its creation, DREE has worked with this important principle in mind. Indeed, prior to the general development agreement era, DREE was already involved in the construction of roads and highways under the FRED and ARDA programs in the special areas agreements.

There is a feature that I cannot help but notice every time I raise the question of transportation in my own Liberal caucus, because there are times when I must bring to the forefront and to the attention of the government some of the transportation problems of the Atlantic area, and that is when I hear my colleagues from British Columbia, western Canada, Ontario and parts of Quebec say, "How can you guys down in the maritimes muster so much government support?" On a per capita basis the maritimes indeed are being served much better than the rest of Canada from federal funds, to aid them in establishing needed and appreciated transportation infrastructures. I do not think that the maritimes should apologize for that federal help—far from me the thought. Far from me also is the thought that no work remains to be done.

Essentially what we are addressing here today is a reference to a committee to study the concept of using transportation as a development tool. What I am saying is that that concept has been very much in the mind of the Department of Regional Economic Expansion and very much in the mind of Transport Canada. They have been co-ordinating committees at the interdepartmental level. There have been frequent meetings with provincial officials from all three provinces and they are being carried on on an ongoing basis, and there are federal-provincial management committees which meet regularly to review the progress being made on the transportation front.

I can come to no other conclusion than that the hon. member who posed this motion must be somewhat like Rip van Winkle and lived in a cave during this past decade.

Mr. Oberle: You are certainly some clown.

Mr. Corbin: In 1973 for example, with the advent of decentralization and the negotiation of general development agreements with the Atlantic provinces DREE took a comprehensive look at all sectors of the Atlantic region economy, not just transportation. DREE is involved everywhere one can possiby imagine. In the opinion of the hon. member, DREE should be involved in energy issues. It is involved in energy issues because DREE sits on interdepartmental committees which arrive at decisions, for example, with respect to Fundy tide development and with respect to the nuclear plant in New Brunswick. I do not think that DREE should be electrified as is the suggestion of the hon. member.

That is not DREE's mission and, indeed, I would hope that DREE would remain in its present state, in spite of the suggestion made by the hon. member for Fundy-Royal (Mr. Corbett) the other night. After what he said I wonder if that is another one of the departments which the Progressive Conservative party will drop after the next election. They have committed themselves to dropping Petro-Canada, Loto Canada, and we now have a statement by an hon. member from that side that DREE should disappear altogether. That is incredible. I think that the hon. members on that side of the House should first consult with Premier Richard Hatfield who thought it a very advantageous position last fall to carry an election campaign based on the programs of DREE in his province.

I do not think, on the one hand, that they can say there has been close co-operation with the federal government, DREE and Transport Canada and, on the other hand, stand up in this House and pretend that we have unco-ordinated policies. As a New Brunswicker and maritimer I regret that negative approach. I am prepared to say that we may not have been successful on all fronts, but I do not think that we should be faulted for not trying, and the figures are certainly there to prove it. Of course the transportation sector and the region's needs will be a matter of ongoing concern for all levels of government. Among other things, a comprehensive analysis, commencing a process of looking at transportation—

The Acting Speaker (Mr. Turner): Order, please. The hour provided for the consideration of private members' business has now expired. It being five o'clock, this House stands adjourned until Monday next at 2 p.m., pursuant to Standing Order 2(1).

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

HOUSE OF COMMONS

Monday, March 12, 1979

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

COMMONWEALTH DAY

DECLARATION TO STRENGTHEN COMMONWEALTH TIES—MOTION UNDER S.O. 43

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I rise, under the provisions of Standing Order 43, to ask the unanimous consent of the House on a matter of urgent and pressing necessity relating to Canada and the Commonwealth.

In light of the fact that today, March 12, has been declared Commonwealth Day, in view of the importance of the Commonwealth as a cornerstone in Canada's external policy, and because of the important role the Commonwealth can and ought to play in world affairs, not to mention the importance of the heads of government meeting to be held in Lusaka next August, I move, seconded by the right hon. member for Prince Albert (Mr. Diefenbaker):

That this House confirm Canada's deep attachment to the Commonwealth and its determination to take all steps that will strengthen the ties between the countries of this unique international organization.

Mr. Speaker: Although I will not put the question, I hope the hon. member will be satisfied that I will be making a statement just before question period that we are holding a reception in the building to mark the occasion. I hope that will do the job adequately.

* * *

SUPPLY AND SERVICES

CRITICISM OF AWARD FOR EVALUATION STUDY OF GUN CONTROL LEGISLATION—MOTION UNDER S.O. 43

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, I rise under the provisions of Standing Order 43.

Whereas the announcement of contract awards made last week by the Department of Supply and Services disclosed that a $292,440 award to Decision Dynamics for an evaluation study of gun control legislation was charged to the budget of the science department and not to the Solicitor General's Department, I move, seconded by the hon. member for Carleton-Charlotte (Mr. McCain):

That this House disapprove of badly needed science dollars being allocated for an expenditure clearly within the Solicitor General's jurisdiction.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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THE CANADIAN ECONOMY

MEASURES TO ASSIST VOLUNTARY, NON-PROFIT SECTOR—MOTION UNDER S.O. 43

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that because of government restraint and high inflation in this country the voluntary, non-profit sector is undergoing great difficulty in order to survive, and in view of the fact that the agencies and organizations in this sector have grown tremendously in the last few years and are performing many functions which would have to be done otherwise by some level of government, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the Government of Canada initiate greater and special measures to protect this vital and necessary sector in our Canadian society.

Mr. Speaker: Presentation of such a motion for discussion, pursuant to Standing Order 43, would require unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

POST OFFICE

DOOR-TO-DOOR DELIVERY FOR URBAN AND SUBURBAN AREAS—MOTION UNDER S.O. 43

Mr. Leonard C. Jones (Moncton): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

Whereas the government is dedicated to programs of restraint, so-called; whereas the mandate of the postal department is to provide postal services for all Canadians; whereas many areas of Canada are in need of door-to-door delivery

service; whereas restraint only means the cutting out of excess, not necessities; and whereas all Canadians pay taxes and postal rates on the same basis, I move, seconded by the hon. member for Palliser (Mr. Schumacher):

That the postal department implement immediately and forthwith door-to-door delivery service for Canadians in all urban and surburban areas of Canada.

Mr. Speaker: Introduction of such a motion for debate at this time requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

VETERANS AFFAIRS

MORATORIUM ON TRANSFER OF VETERANS' HOSPITALS TO PROVINCES PENDING REVIEW—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise, under the provisions of Standing Order 43, to present a motion of urgent and pressing necessity.

Owing to the rash of reports of problems being encountered by veterans seeking admission to former veterans' hospitals, I move, seconded by the hon. member for Okanagan Boundary (Mr. Whittaker):

That the government declare forthwith a moratorium on the transfer of veterans' hospitals to provincial jurisdiction until the consequences arising from previous transfers have been reviewed.

Mr. Speaker: Such a motion can be presented for discussion at this time, in accordance with Standing Order 43, only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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ELECTIONS

REQUESTED REVISION OF "GUIDE TO ELECTORAL DISTRICTS"—MOTION UNDER S.O. 43

Mr. Dean Whiteway (Selkirk): Mr. Speaker, I rise on a matter of urgent and pressing necessity. In consideration of the book released by the Chief Electoral Officer, entitled "Guide to Electoral Districts", being an index of cities, towns and villages in Canada showing the federal ridings in which each one is located, I move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

That the Minister of Federal-Provincial Relations, Manitoba's custodian in cabinet, make immediate inquiries as to the omission of 274 towns and villages in Manitoba and instruct the Chief Electoral Officer to revise this book to include at least some of the larger towns that have been omitted.

[Mr. Jones.]

Mr. Speaker: Presentation of such a motion for debate would require unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

CANADIAN BROADCASTING CORPORATION

CONSULTATION WITH PUBLIC ON IMPROVED SERVICE—MOTION UNDER S.O. 43

Mr. Fonse Faour (Humber-St. George's-St. Barbe): Mr. Speaker, I rise under the provisions of Standing Order 43 to ask for unanimous consent of the House to move a motion.

In view of the recent success of the series of mini forums and public forums held in western Newfoundland as part of the Canadian Broadcasting Corporation's endeavours to consult and involve the general public in developing programming for the CBC, I move, seconded by the hon. member for Broadview (Mr. Rae):

That this House congratulate the CBC and in particular its employees in western Newfoundland for its recent efforts to provide a forum for consultation with the public and, further, that this House urge the government to give its full support to the concept of public forums and provide the necessary funds so that this process of consultation can be extended to every region of the country.

Mr. Speaker: In accordance with Standing Order 43, such a motion can be introduced at this time only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

INDUSTRY

CALL FOR REOPENING OF OIL REFINERY AT COME-BY-CHANCE, NEWFOUNDLAND—MOTION UNDER S.O. 43

Mr. John C. Crosbie (St. John's West): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

Since the oil refinery at Come-By-Chance has been closed since February, 1976 with a loss of some 500 jobs, and remains closed despite statements by the Secretary of State for External Affairs in October of 1976 that the refinery would be operating the following year and on September 15, 1977, that he had meetings with three reputable companies to discuss the possible takeover of the refinery, and that there were a number of options open to the government, including discussions with the United States for supplies of oil products to the United States, I move, seconded by the hon. member for Dartmouth-Halifax East (Mr. Forrestall):

That the Government of Canada cease its policy of indifference to the reopening of the refinery and give high priority to negotiations with the U.S. so that refined products can be sold to the eastern U.S. by eastern Canadian refineries, and that the government make available to the First Arabian Corporation, or whoever makes a successful bid to take over and operate the refinery, the government wharf at Come-By-Chance on nominal rental terms to encourage the reopening of the refinery, and guarantee no interference with export contracts of the refinery for a period long enough to ensure financing of the repairs and reopening of the refinery.

Mr. Speaker: The presentation of such a motion for debate at this time would require unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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SHIPBUILDING

INCENTIVES FOR CANADIAN SHIPYARDS—MOTION UNDER S.O. 43

Mr. Howard Crosby (Halifax-East Hants): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

Because of cost factors, east coast shipyards cannot compete with foreign shipbuilders in tendering for fishing trawler contracts for Canadian companies. I therefore move, seconded by the hon. member for Dartmouth-Halifax East (Mr. Forrestall):

That the Minister of Finance be directed to consider accelerated tax write-offs or deferrals for Canadian taxpayers who construct fishing vessels in domestic shipyards so that Canadian shipbuilders can compete internationally.

Mr. Speaker: The introduction of such a motion, pursuant to Standing Order 43, can only be done with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

COMMONWEALTH DAY

CEREMONIES IN RECOGNITION OF COMMONWEALTH DAY

Mr. Speaker: Before beginning question period, may I invite hon. members to join with me in calling attention to the fact that today has been designated Commonwealth Day. This is an annual event which hon. members will know owes its origin to a Canadian proposal, made during the 1975 Heads of Government Meeting, that the second Monday in March should be so designated in order to underline in Canada and in all other Commonwealth countries the importance that we attach to this unique association of 40 countries of great diversity in terms of size, race, colour, creed and culture, and at all stages of economic development.

Across Canada, special programs have been planned today, especially in schools and public libraries, to mark this special occasion. Yesterday, special interfaith services were held in various centres across this country to mark Commonwealth Day in Canada. Hon. members will have observed the display of flags of all the Commonwealth nations in Confederation Square. This evening, all members of this House are guests at a special reception hosted by the Commonwealth High Commissioners, in co-operation with the Speakers of both Houses, in the Confederation Room in the West Block to mark this very important occasion.

ORAL QUESTION PERIOD

[*English*]

CONSUMER AFFAIRS

MEASURES TO COUNTER RISING FOOD PRICES

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, my question is to the Minister of Consumer and Corporate Affairs. The minister is quoted as having said a month ago, "I hope we can announce certain new measures shortly"—to counter rising food prices. Since that time we have had the announcement of the National Commission on Inflation, and nothing else.

● (1415)

Could the minister tell the House, now, since he promised a month ago that he would be introducing these measures shortly, what these measures are and why they have not been introduced?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): The Leader of the Opposition is correct; we did announce the establishment of the National Commission on Inflation. I also announced we were bringing back a new, revised competition bill to replace Bill C-13 which was tabled during the last session. Further, I believe the Minister of Agriculture and some of the people responsible for marketing boards did announce increased production quotas for 1979, and the government increased beef quotas by seven million pounds.

Mr. Clark: Outside the House, the minister was quoted as saying he was planning a three-pronged attack on prices. As part of that three-pronged attack he indicated the government would come up with measures to deal with supply shortages and bottlenecks. What specific proposals does the government intend to make to deal with supply shortages and bottlenecks?

Mr. Allmand: These measures will be announced by the responsible ministers in due course. The supply situation is continually under review, as I mentioned in my first answer to the Leader of the Opposition. Some production quotas have already been increased for 1979 as against 1978, but the

ministers responsible for the different food producing sectors will be reviewing these things and making announcements when appropriate. I understand there will be further announcements in this respect during the coming week.

Mr. Clark: For five years now, ever since the Speech from the Throne which opened this over-long parliament, the minister and the government have been proposing a national food strategy. A month ago, the minister said he would be proposing certain specific measures. Now he says there may be various proposals coming from other ministers at some date in the future.

Would he tell the House on what date we can expect a detailed announcement of a national food strategy which would bring relief to Canadian consumers faced with ever-increasing food prices?

Mr. Allmand: Mr. Speaker, the national food strategy was never intended to culminate in an announcement at one time. It was a process whereby the many departments in the federal government concerned with food, and in the provincial governments, would get together and work out policies which would be announced from time to time. One example was the recently announced revision of the regulations governing the National Farm Products Marketing Council and the appointment of a new chairman who had experience both in farming and in the consumer movement.

PRODUCTION INCENTIVES FOR FISHERMEN AND FARMERS

Mr. James A. McGrath (St. John's East): Mr. Speaker, the minister surely knows this is a subject which concerns all Canadians—the rise in prices and the failure of the government to do anything about them.

One of the things the minister said outside the House in the course of his cruel, ongoing deception of the Canadian consumer was that the government proposed to bring in measures to provide new incentives to fishermen and farmers to increase production. Will the minister tell us precisely what new production incentives he is talking about?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): I have already answered that question. I said there were policies announced from time to time dealing with the supply of food. I stated clearly that the major problem with respect to food prices is, in a sense, beyond the control of the government inasmuch as we must buy a good deal of our food in the winter time from abroad. Consequently, to a certain extent we are stuck with the difference in the value of our dollar as compared to the value of foreign currencies.

The other major cause of increased food prices has to do with the beef cycle; because beef prices were very low a few years ago, we are now faced with short supplies and higher prices. In the long run, we hope to work with the producers to make sure we get more stable production and better prices for both consumers and producers.

[Mr. Allmand.]

Mr. McGrath: This kind of ongoing gobbledegook on the part of the minister is doing nothing to relieve the minds of the people.

Let me ask him this. He has placed great emphasis on phase two of the competition bill which has been dragged out in front of parliament every time an election scare is on. The Prime Minister has said that this parliament will not have time to deal with it. In view of the fact that the new National Commission on Inflation has not been given any guidelines by the government, and in view of the fact that phase two of the competition policy cannot be brought in until the next parliament, what steps does the minister intend to take when he is faced with evidence of price gouging or profiteering which reflects badly on the producers of this country and which, in fact, is causing great concern in the marketplace in the absence of guidelines? Does the minister have any guidelines? What, in his estimation, is profiteering and price gouging?

● (1420)

Mr. Allmand: Mr. Speaker, I have never said that the reform of competition laws would be a short-term solution to the high prices we are experiencing now, but I did say in my remarks in the House that in the long run the guarantee of fair prices in the marketplace would be an open and competitive marketplace.

With respect to the comments of the hon. member, he and his party last week had an opportunity to put forward their proposals with respect to food prices when the New Democratic Party put its motion before the House. The official opposition had nothing to suggest but that we call an election. I think the hon. member's response to high food prices is to bluster and to make a lot of noise.

Mr. McGrath: Mr. Speaker, the people of this country would certainly welcome an election so that they could get rid of this tired, worn-out government. If the minister wants proof of that, all he has to do is go to any supermarket check-out counter on any Saturday afternoon and he will get the message loud and clear. This do-nothing minister has assumed responsibility outside this House, but then tries to shrug it off inside.

When can we expect some action from this government, which promised action when it opened this parliament in 1974 when it promised incentives and an adequate return to producers and fair prices to consumers? We had a strategy on food prices last February. When are we going to get some action from this government?

Mr. Allmand: Mr. Speaker, obviously the hon. member does not understand very well, but I said that in the short-run, especially with imported fruits and vegetables, nothing can be done. Nothing much can be done in the short-term with respect to those other than to have a good information program which would help Canadians understand that there are many good, nutritional alternatives available which are much cheaper.

Our department led the way in encouraging the introduction of no-name generic foods which are a good price saving with

respect to many foods, and also the development of no-frills stores which are also a very innovative development which will help bring down food prices. There are many other things and I would be glad to discuss them with the hon. member.

* * *

HEALTH AND WELFARE

ONTARIO DOCTORS WITHDRAWING FROM OHIP—CONSULTATION WITH PROVINCE ON MEDICARE PLAN

Mr. Bob Rae (Broadview): Mr. Speaker, I am glad to say that there are also nutritional alternatives to this government.

My question also deals with the problem of prices, but it is directed to the Minister of National Health and Welfare. It deals with the price of medical care in Ontario. It arises from certain questions which my leader asked the Prime Minister, in the absence of the minister, on Friday.

The minister knows that both the Medical Care Act and the Hospital Insurance and Diagnostic Services Act of Canada provide certain clear criteria for federal contributions to provincial medical care programs. We know that Canadians must have equal access to medical care and that no charges can impede this access either directly or indirectly. In view of the number of doctors who are leaving the plan to charge higher fees, will the minister agree to meet immediately with those responsible for the medicare plan in Ontario to see that it meets these requirements of federal law?

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, over the last six months or so we have observed different signs that the medical care plan may be eroding. It is surely very fragile right now. I am not referring only to Ontario. I am also thinking of talk of deterrent fees. Other provinces have been testing public opinion in that regard. Of course, we are witnessing the opting out of physicians in Ontario. In Ontario, 17.9 per cent of the physicians have opted out of the medical care program. I have instructed my department to develop guidelines, through consultations with provinces and to make the results of these discussions public, with a view to defining where barriers have developed which prevent access to medicare for Canadians.

● (1425)

I also want to say that on the agenda of last week's meeting of March 6 and 7 of all the deputy ministers of health in Canada, this question was thoroughly studied. I want to reassure everybody that, of course, the federal government will not see eroded the benefits which Canadians derive and enjoy under the national medicare program.

Mr. Rae: My supplementary question to the minister is this. In Ontario, the number of doctors leaving the plan has increased by at least 40 per cent. As the minister has just said, this departure of doctors from OHIP not only takes the gut out of medical care but also represents an inflationary attack on patients because patients are now paying $600 or $700 for operations and only getting about $400 or $450 from OHIP.

My question to the minister is this: What do these surcharges do to the principle of fairness and to free access to medical care for all Canadians, and what will she do about it apart from simply carrying on investigations and consultations with the provinces?

Miss Bégin: Mr. Speaker, I should like to underline that the situation is serious. So far as I know, it is one of the most serious situations for social security in all of Canada. For instance, Alberta, so far as I know, did not have an opting out provision and extra billing but has now permitted it. That is very dangerous in terms of eventually breaching the universality and accessibility of medicare for all Canadians. The hon. member might think this is a very easy question to solve, but Ontario does not have information to describe what that extra billing represents on which only partial information exists up to now.

As I have said—perhaps I did not put it clearly enough—I have instructed my department not to wait for the provinces to give us that data. Instead, we should seek out all information we need directly to decide whether, yes or no, it is time to withhold payments and eventually give notices to provinces.

Mr. Rae: If we in this party appear skeptical as to how seriously the government is taking this problem, it is because it was only when it was raised by my leader that the government responded at all or even said it was a problem in the first place.

Some hon. Members: Oh, oh!

An hon. Member: Wake up.

Mr. Rae: In view of the information which the minister has given us, which we can supplement, that nearly 50 per cent of doctors in Hamilton and over 50 per cent of doctors in Peterborough and Orillia have dropped out of the plan, will the minister undertake to give to the House detailed information, not only as to the level of medical service but also as to what the cost of medical service is and how much it is going up as a result of the surcharges which the doctors are now charging in Ontario?

Miss Bégin: Yes, Mr. Speaker, of course I am willing to give information, but the hon. gentleman has just asked a very vague and general question. He is obviously brand new to the topic, because months ago we discussed that very problem in the House. If we had a description of the situation of all the provinces on the agenda of the meeting a week ago, I would not wait for the leader of that hon. gentleman to wake up and speak of medicare.

Oral Questions

● (1430)

[*Translation*]

FINANCE

GOODS AND SERVICES DEFICIT—INQUIRY AS TO MEASURES GOVERNMENT WILL TAKE

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, my question is for the Minister of Finance. As the deficit relating to goods and services reached a record level of $8.73 billion in 1978 and economists are generally predicting a deficit of over $9 billion in 1979, I want to ask the following question: As Canada's prosperity depends on our capacity to produce new technologies to improve the competitiveness of our industry, but since, as the deficit relating to goods and services indicates, we are losing ground in this area would the minister explain what he intends to do to correct that situation?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, we expect an improvement in the situation with time because as the hon. member may realize, the trade surplus increased considerably from $2.9 billion to $3.5 billion last year. For the month of January of this year alone, we had an increase of $100 million. We are also hoping the tourist deficit we have been experiencing for the last several years is going to improve. The growth of these deficits was arrested in the last part of the year and the more competitive Canadian dollar gives us reason to hope that the deficit will start to come down in that area in 1979. So I believe the situation will improve in coming years. We are confident our new competitive position on world markets is going to help us considerably with our trade surplus, and at this time the high level of our balance of payments is not alarming when related to gross national income. The proportions are generally the same as in past years.

Mr. Gauthier (Roberval): Mr. Speaker, it is interesting to hear the minister because he is always optimistic when he talks about the deficit but at the end of the year we note that his forecasts are always proven wrong. That is regrettable. While there is general agreement to identify the deficit for goods and services with a poor technological performance why is the government constantly reducing its support for research and development as that sector could probably restore, at least in part, a positive balance with respect to goods and services?

Mr. Chrétien: Mr. Speaker, the hon. member should know that the last two budgets that I gave in this House considerably increased tax incentives for research and development and that my colleague, the President of the Board of Economic Development Ministers, is now conducting a study with all departments to increase the efficiency of the services provided by the Canadian government to industries and universities for scientific research. I know that in the last few years the government has made considerable efforts to promote research and development in the Canadian economy.

[Miss Bégin.]

Mr. Gauthier (Roberval): Mr. Speaker, this is once again unfounded optimism since the OECD clearly shows that Canada has one of the lowest rates of participation in research and development among its member countries, with a fantastic yearly contribution of 1 per cent of its gross national product.

Mr. Chrétien: Mr. Speaker, I have just given explanations about the previous budgets. I imagine that the OECD studies mentioned by the hon. member were made before these new initiatives were taken by the federal government. We want research and development to be carried out in private industry and this is why we increased tax incentives to help achieve this goal.

* * *

[*English*]

HEALTH AND WELFARE

REASON CANADIAN DOCTORS LEAVING FOR UNITED STATES

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is supplementary to the one asked by a member of the New Democratic Party concerning the medicare scheme.

I should like to ask the Minister of National Health and Welfare whether she is aware of the fact the average income of a doctor in Canada is substantially less than that in the United States, and whether the minister has been able to determine if this has been a factor in 800 well established Canadian graduate physicians having left this country for the United States in the past year?

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, since the hon. member is of the profession, he may be naturally asked by his friends to be a lobbyist in the House in favour of higher fees for medical doctors.

Mr. McGrath: Shame.

Miss Bégin: Of course, the wage structure of the United States is much higher than that of Canada for all classes of occupation.

An hon. Member: Not true.

Some hon. Members: Oh, oh!

Miss Bégin: As far as I remember, medical doctors in Canada are still at the top of the list of average wages in the annual publication of Revenue Canada. This matter has nothing to do with the House and should be asked in the proper legislature. I would very much like to know what the hon. member has to tell the House about what just happened in Alberta concerning the manner in which fees were settled.

Mr. Yewchuk: Mr. Speaker, in view of the fact the inflation rate last year in Canada was somewhere in the range of 9 per cent or 10 per cent, and that the increase per visit for the family doctor was from $7.20 to $7.35, for a grand total of 15

cents, can the minister indicate whether she thinks this is an outrageous increase and it is fair for the medical profession?

Miss Bégin: Mr. Speaker, I can repeat only that it is not for this federal House to pass a judgment on provincial settlements.

Some hon. Members: Oh, oh!

Miss Bégin: However, I should like the hon. member to explain why Alberta has not permitted physicians to opt out, and why extra billings have risen so much recently that the public is complaining and that the commission issued 10,000 questionnaires to look into what is happening?

Some hon. Members: Order.

* * *

THE CANADIAN ECONOMY

REPORTED DECLINE IN REAL INCOME OF CANADIANS

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my initial question is directed to the Minister of Finance. It arises from the new publication of the Conference Board in Canada entitled "Industrial Relations 1979 Outlook and Issues". This publication came out of a round-table discussion where seven experts passed on our industrial future during this year. At page 2 of the release, referring to the anti-inflation program of the government, it reads:

> The program was not effective in controlling prices, but was clearly effective in reducing wage settlements. The experience of declining real income for over a year cannot be expected to induce moderate demands at the bargaining table.

Would the Minister of Finance indicate if he agrees that real incomes on the part of wage earners in Canada fell during 1978?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, I do not have the figures in front of me, but it could be that it was the situation in 1978. If we take the longer view than that, we will realize the net increase in take-home pay by Canadian workers over the last three or four years is above the growth of the gross national product in Canada, and much more than the take-home pay of their colleagues living south of the border.

It is extremely important for the Canadian economy, in order to maintain the competitive position of Canadian businesses and goods, if in 1979 everyone decides to be reasonable and collaborate with the federal and provincial governments to maintain a competitive cost in Canada so that we can take full advantage of the new competitive position of the Canadian industrial sector.

Mr. Stevens: Mr. Speaker, again my question is directed to the Minister of Finance, who indicated that there was a real income drop for wage earners in Canada last year.

As the Conference Board in Canada indicated that the wage settlements in 1979 will have to be in the 8 per cent to 9 per cent range if real incomes are not to continue to be eroded, would the minister indicate if he sticks by the guidelines he brought out in February, 1978, dealing with Canada's economic middle-term projections and targets? At that time the minister indicated that average wage settlements in Canada should be 7 per cent, based on prices rising only 5 per cent.

Mr. Chrétien: Mr. Speaker, I have not issued any guidelines this year. We have said that everyone must show restraint, and in negotiations with our own employees we attempted to achieve a good level of settlement, but we want to make sure we are not leading the country into a new period of inflation. That is why I am pleased to report that the public sector, both federal and provincial, by the end of 1978 was two points below the private sector. This is a good change from the situation in 1974-1975, when the public sector was the leader.

Everyone must show restraint. Sometimes circumstances can warrant lower than the federal level, or higher, but I think everyone should keep in mind that we must maintain the competitive position of Canadians in world markets.

Mr. Stevens: Mr. Speaker, again my question is directed to the Minister of Finance. So that we may get a better handle as to where the minister and his government see the Canadian economy evolving, I should like to direct the minister's attention to page 62 of his economic projections in February 1978, at which time he indicated that the share of the gross national product going to wages and salaries would fall during the 1978 to 1981 period, while profits would rise from their 1977 level during that same period.

Will the minister confirm whether it is still the government's position that the wage share of the GNP should fall somewhat, while profits should go up?

● (1440)

Mr. Chrétien: I think, Mr. Speaker, that in the last four or five years the share of profits in relation to the total Canadian economy has fallen very substantially. I hope that with more profits, those profits will be used for reinvestment so we will improve the capacity of production in Canada, creating more jobs for the workers who are looking for employment.

I do think there is a realization that we need some profits for reinvestment in Canada. For example, a group of workers in my province has settled quite reasonably because they want the pulp and paper industry to reinvest in more modernization and productivity so it will maintain its competitive position. I would like to congratulate that union for taking that responsible stand.

[*Translation*]

URBAN AFFAIRS

INQUIRY WHETHER GOVERNMENT INTENDS TO ALTER HOUSE INSULATION PROGRAM

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, my question is for the Minister of Public Works and Minister of State for Urban Affairs. The house insulation program has been very successful in the Gaspé area. I have received representations asking that this program progressively be made applicable to houses built before 1970. Can the hon. minister tell the House if he expects to make any changes to the house insulation program to increase the amount of grants and change the criteria so that tenants or owners of houses built before 1970 can benefit from this program?

Hon. André Ouellet (Minister of Public Works and Minister of State for Urban Affairs): Mr. Speaker, I can tell the hon. member that these two excellent suggestions are now being studied by my department in co-operation with the department of my colleague responsible for energy, mines and resources. A decision in this matter should be made within a few weeks.

* * *

[*English*]

THE CANADIAN ECONOMY

MINISTER'S STATEMENT ON STATE OF ECONOMY

Mr. John C. Crosbie (St. John's West): Mr. Speaker, my question is for the President of the Board of Economic Development Ministers, who spoke in Alberta Saturday night to a vanishing breed—Alberta Liberals. He said at that time, and I want to ask him about this:

> We wail about our weak economy, we talk about too much government and inflation and unemployment.

The minister said that the reason for all of this is that "Canadians are suffering from crabbiness" and that we do not have a positive outlook on a healthy economy. Is it the minister's position that our economy is in the shape it is, with high unemployment, 9 per cent inflation and a 21 per cent increase in food prices, with a decline in the value of the Canadian dollar—that all of these things are caused by Canadians' crabbiness and that the government has nothing at all to do with it? It is just that we Canadians are too crabby; is that his theme?

Hon. Robert K. Andras (President of the Board of Economic Development Ministers): Mr. Speaker, the hon. member started off on the wrong wicket. I was not in Alberta on Saturday; I spoke to a very enthusiastic group of Liberals in Saskatchewan.

Some hon. Members: Oh, oh!

Mr. Chrétien: John, you are still confused.

[Mr. Chrétien.]

Some hon. Members: Hear, hear!

Mr. Andras: Secondly, Mr. Speaker, I pointed out that some Canadians are crabby—and I see a lot of them across the floor.

Some hon. Members: Hear, hear!

Mr. Andras: But many other groups in Canada do not accept the doom and gloom philosophy that is preached by some members across the floor, because they recognize the underlying strengths of this country. I pointed out that a lot of businessmen are putting their money where their mouths are and reinvesting, as the Minister of Finance just indicated.

I pointed out that a lot of Canadians are travelling and buying. I pointed out that a lot of foreign investors are interested in this country as a good investment, and I pointed out that about 800,000 to one million people from other lands fight, plead, request and apply to come to this country. I suggested that I would place my bets with the people who see this country as a land of great opportunity, in good shape economically now and for the future, rather than with those who are crabby, some of whom I have pointed out.

Mr. Crosbie: Mr. Speaker, if the minister spoke in Saskatchewan to a group of Liberals, he must have spoken in a phone booth.

Some hon. Members: Oh, oh!

Mr. Crosbie: My supplementary question is this. The Minister of State (Fitness and Amateur Sport) has told Canadians that "the fat times are over". The Minister of Finance in September, 1977, blamed Canadians for "bitching", and the Prime Minister said "Canadians are a bit soft, and they have to be told they're soft".

Is this the official policy of the government, that we are too crabby, too fat, too bitchy and too soft; that it is all our fault—and will the government now give the Canadian people a chance to defend themselves by calling an election?

Mr. Andras: Mr. Speaker, this is a kind of interesting exchange. We did not need a phone booth; we had to take two extra rooms, I believe, in the Hotel Saskatchewan to accommodate the overflow of people who wanted to come and hear some common sense rather than the kind of nonsense they are hearing from the hon. member. I think he was really giving himself a self-description when he made that comment on the kind of Canadians I was referring to as being crabby and lacking confidence in this country.

Some hon. Members: Oh, oh!

STEPS TO ROLL BACK UNFAIR PRICES AND PREVENT FURTHER INFLATION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, like the hon. member for York-Simcoe, I should like to put a question to the Minister of Finance based on the study issued

recently by the Conference Board in Canada. However, I am not concerned about a review of statistics or predictions the minister may have made in the past; I am concerned as to what he is going to do now.

In view of the fact that the Conference Board says this is likely to be a tough year in industrial relations because unions are trying to catch up with rising prices, and in spite of the by-play we have had about this sort of thing, will the minister give serious consideration to the finding of ways to roll back unfair price increases so that we can protect the consumer and save this country from another round of inflation?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, I do not think it is possible in an economy like the Canadian economy to control just one small sector. It cannot work this way. We decided in the fall of 1977, when I became Minister of Finance, that we were to get out of controls and put our faith in the market economy, and that is what we are doing at this time. We are trying to make sure that there are no abusers. We have created a commission to look into this problem in order to help the workers of this land.

In the last budget we increased very substantially the tax incentives to those people, through indexation and through other tax cuts, and I do think the take-home pay of Canadian workers has increased regularly over the last few years and they appreciate that, particularly if they compare their situation with the situation in the United States. They want at the same time to make sure that they do not contribute to another round of inflation which could lead us to more controls. If everyone will take his responsibility, we will all be better off.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, the minister made the assertion that the federal government cannot exercise its powers in respect of just one sector of the economy. I would point out to him that the Conference Board in Canada said precisely that the anti-inflation program was effective in holding down wages but did not control prices, so that is the answer to the minister's statement.

May I put the question to the minister again? In view of the fact that the issue facing our economy at this time and throughout this year is unfair price increases, especially in selective areas, will the minister not get serious with this matter, forget his constitutional and his technical problems and find some way to deal with this very real problem that faces the people of Canada?

Mr. Chrétien: I am very startled by the assertion of the hon. member that I should not be worried about the constitution of Canada. There are some limitations in the constitution that do not permit the federal government to establish controls unless we are in a crisis situation, and we have to accept that fact.

An hon. Member: You did it for wages.

Mr. Chrétien: For the hon. member, with his experience, to say that is very surprising to me, particularly when he suggests that I should not pay attention to the constitution. In addition to that, Mr. Speaker, if the hon. member wants to take the Conference Board as his bible, I would point out that the Conference Board predicted last summer that unemployment in Canada this winter would be 9 per cent, and it is only 8.1 per cent; so I would rather not rely on them all the time.

* * *

CONSUMER AND CORPORATE AFFAIRS

JOBS LOST THROUGH BANKRUPTCIES—WAGE CLAIMS OF EMPLOYEES

Mr. F. A. Philbrook (Halton): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. Each year, $4 million in wages and several thousand workers' jobs are lost due to employer bankruptcies, and, some claim, many times more.

Could the minister assure the House that he will try to ensure that employees will continue to have first claim on back wages owed to them, rather than first claims being given to secured creditors such as banks and mortgage companies, or merely establishing a limited fund for employees?

● (1450)

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, the bankruptcy reform bill was introduced in the Senate last week. It provides that wage earners will rank at the top of preferred creditors with an increase in their preferred claims from $500 to $2,000 for each employee, but they do not rank ahead of secured creditors.

On the other hand, we have provided for a study to determine the feasibility of a funded insurance program which would protect employees of bankrupt companies. That seems to be the best response to that kind of problem.

* * *

STATUS OF WOMEN

PARTICIPATION OF WOMEN IN DEPARTMENT OF EMPLOYMENT AND IMMIGRATION

Mr. David MacDonald (Egmont): Mr. Speaker, my question is to the minister responsible for the status of women. He will recall that in January of this year the chairman of the Advisory Council on the Status of Women suggested that she was quite disturbed at the exclusion of women from the employment strategy of the Department of Employment and Immigration. In particular, she asked whether there were any women on the regional working groups of the department.

Since the minister indicated in his report tabled last Thursday that there will be some inclusion of women only on subcommittees with respect to the federal-provincial discussions and strategies on employment for women, could he indicate whether this represents a failure in attempting to persuade his colleague, the Minister of Employment and Immigration, to allow women full participation rights on a

very important aspect of employment strategy as formulated by his department?

Hon. Marc Lalonde (Minister of Justice): On the contrary, Mr. Speaker, the proposals that have been put forward are quite clear and women have full participation rights on those committees.

I might mention to the hon. member that the Advisory Council issued a press release last week indicating that they are particularly satisfied with two elements contained in the report which represents many areas where important steps will be undertaken within government and interested groups, in particular in the area of data collection and a study of women in the economy. The Advisory Council adds that it is pleased that the federal government has produced a plan which includes many of the council's recommendations which have been already submitted to the government.

Mr. MacDonald (Egmont): Since, in the words of the minister, the Advisory Council seems pleased with some of the recommendations, could he indicate whether he has had any response, or has he consulted with the Advisory Council on their action, along with the six provincial bodies on February 22, to appeal the discriminatory aspects of the Unemployment Insurance Act with respect to part-time workers?

The minister refers twice in his report to the importance of part-time workers both to the public and private sector, yet there is no recognition of the discriminatory aspect of recent legislation on the part of his colleague. Can he indicate whether the Advisory Council is satisfied that this objection has been met, or what action has been taken in view of the appeal that is presently before the Human Rights Commission?

Mr. Lalonde: I repeat to the hon. member, Mr. Speaker, that the Advisory Council has indicated its satisfaction with the plan of action put forward by the government last week. That plan of action is going to be further examined and studied by the Advisory Council at its next meeting. I have no reason to believe that the steps announced by the government are not meeting the full support of the Advisory Council.

* * *

ADMINISTRATION OF JUSTICE

LAW ENFORCEMENT OFFICERS' ACCESS TO CONFIDENTIAL RECORDS

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is for the Solicitor General. I believe he will be aware of reports in the past few days that criminal investigation branch and security service officers have for a number of years had access to the confidential records of the Department of National Health and Welfare. Pursuant to a direction or instruction of July, 1964, these officers may have believed, giving a broad interpretation to that instruction, that that activity had in fact been authorized or condoned by their superiors.

[Mr. MacDonald (Egmont).]

Is that instruction or directive still in force? Is this activity, wherein confidential documents of the Department of National Health and Welfare are available to these law enforcement officers, still being carried out?

Hon. J.-J. Blais (Solicitor General): Mr. Speaker, this is a matter that has created a great deal of ongoing interest in all members of the House. The hon. gentleman will recall that last year I indicated to the House that a directive had issued from the commissioner of the RCMP at my request, so that there was no doubt but that all activities that did not strictly conform to the letter or spirit of any law were to cease. I understand that directive was issued in August, 1978.

Mr. Jarvis: A supplementary question, Mr. Speaker. I am not quite sure that the Solicitor General's response would lead me to believe there has been an abrogation of that particular instruction or directive.

Apparently, the access to the confidential records of the Department of National Health and Welfare has been for the purpose of tracing missing or wanted persons. Let us assume that is a vital or important law enforcement tool. Can the Solicitor General tell the House why legislative or regulatory authority has not been sought from him or his predecessors by the various law enforcement agencies? If it has been sought during the past 15 or 20 years, what has been the response of the Solicitor General or his predecessors regarding permission to legalize this rather dubious activity?

Mr. Blais: Mr. Speaker, I am not aware of any requests that have been made to any of my predecessors. There were no requests made of me.

I might indicate that the question of the process relating to the investigative instruments that are made available to the RCMP, and how these can be made available to them either by the regulatory process or by the legislative process, is one of the issues that the McDonald commission is charged with deliberating on and making recommendations.

* * *

REGIONAL ECONOMIC EXPANSION

ASSISTANCE FOR HALIFAX SHIPYARDS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a question to direct to the Minister of Regional Economic Expansion. It concerns the recent exchanges between the minister and the government of Nova Scotia with respect to the Halifax shipyards.

It is my understanding that the minister has recently expressed great reluctance on the part of the government to move ahead with further aid to the Halifax shipyards. Could the minister indicate in a specific way why, in face of the Nova Scotia government's clear indication of accepting their share of any further developmental capital so that the yards can get into new construction, at this time the federal government is reluctant to cost-share in the needed improvements?

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, if I expressed these few doubts it is because we are now reviewing the whole Canadian government shipyards assistance program and what I am now considering is an application by a company for development and some modernization. We received all the information only in early March. In fact, I have had the information at my department only since the first week of March, a few days ago. We therefore had certain reservations. Before making a decision about the file now before us, we want to know precisely what will be the commitments of the provincial government to support development and operations of the seaport and Nova Scotia shipyards, especially in Halifax, because we cannot proceed only on the basis of a commitment by the Canadian government.

[*English*]

Mr. Forrestall: A supplementary, Mr. Speaker. What measures has the government taken, or what conversations has the minister had with his colleagues, the Deputy Prime Minister and the president of the super board, with respect to ensuring that Canadian shipyards and, in this case, the Halifax shipyards, have fair access to the six or eight new trawlers that National Sea Products Ltd. are going to build?

Has there been any discussion with National Sea Products Ltd., with the province of Nova Scotia and his colleagues in the government to determine or develop a move which would make it possible for Canadian shipyards to receive the business of building the six new trawlers?

[*Translation*]

Mr. Lessard: Mr. Speaker, I can assure the hon. member that consultations have been held and are even now under way with a view to establishing clearly how to program our undertakings with the shipyards in various cities of Canada. In the case of Halifax, I think discussions are now in progress. As I have indicated, we have a specific application for assistance from the Halifax shipyard and the hon. member is well aware that we are now looking into how best to help the specific project submitted to us. Of course, all that has to be considered in the context of the global project of much greater importance because in the case of Halifax, one project alone will not be enough. Consideration is being given to other expansion projects I am very familiar with.

* * *

[*English*]

ENERGY

UNITED STATES AIRCRAFT FILLING WITH FUEL AT CANADIAN AIRPORTS

Mr. Stan Schumacher (Palliser): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources and relates to a problem I brought to his attention last week. I spoke of the practice of U.S. airlines filling up their aircraft completely with fuel in Canadian terminals such as Montreal, Toronto and Vancouver, which is very wasteful of fuel. They are taking on more fuel than is required, because of the apparent shortage in the United States. I wonder what the government intends to do to stop this great inefficiency.

● (1500)

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, I am not at all clear that there is any particular legislative authority that the government has to interfere with a normal commercial transaction. The airline companies have had their sources over the years, of course. But I will be pleased to take a look at the matter.

* * *

FINANCE

EMPLOYMENT TAX CREDIT PROGRAM—REQUEST FOR IMPROVEMENT

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I direct a question to the Minister of Finance. I saw him speaking with the Minister of Veterans Affairs, and maybe at long last veterans will get a break from this government. However, that remains to be seen.

I want to bring to the minister's attention, again, the employment tax credit program that was the panacea that was supposed to create 50,000 jobs. To date, as I understand it, only 15,742 jobs have been created, which means that this program is a complete, disastrous failure in my opinion. The government has been tinkering with the program since its introduction.

What special steps does the government intend to take to make this program more attractive? It is the only wage subsidy I know of where people are not running after it in order to pick up the money. There is something wrong somewhere. Can the minister give me the answer?

[*Translation*]

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, when we put this program forward a year or so ago, we indicated to the House that, according to experience in other countries, there is a time lag between the moment it is put forward and its implementation. I have received information that over these last months the program gained much speed and a much larger number of Canadians showed an interest, and hopefully the question put by the hon. member will make a larger number of businessmen aware of this program, under which they can get an income tax credit of up to $2 an hour when they hire a new employee.

I think it is a good program. Unfortunately, employers did not take advantage of it as soon as we had hoped, but the program is still available and we have reason to believe it will be increasingly used over the coming months.

[*English*]

Mr. Alexander: Mr. Speaker, that answer is complete boloney. We heard the statement about six months ago, I think by the Minister of Employment and Immigration, that he was going to go with the program. Does the minister not realize that this is a cash flow situation and the employer cannot wait for his money?

Is the minister giving serious consideration to the possibility that the employer will get the money when he takes on an employee, rather than waiting six or seven months? That is the problem and that is why the program is a complete disaster.

Mr. Chrétien: Mr. Speaker, that is another attitude of the opposition which complains about the level of expenditures of the government. Today they are proposing another scheme by which we would be spending more money and further increasing the level of expenditures of the federal government. I think the tax incentive that we are giving is a good system. Of course, some people have to wait until they file their tax returns.

Mr. Alexander: That is the problem.

Mr. Chrétien: That is the problem. But we have decided, Mr. Speaker, that we have to limit the expenditures of the government. We want to be responsible. We are not going across Canada, like the Tories, promising up to $6 billion in all sorts of incentives and at the same time complaining about the level of the deficit.

Mr. Stevens: That is not true and you know it.

Mr. Alexander: You are full of boloney, sir, and you know it.

* * *

PRIVILEGE

MR. RAINES—SUGGESTION PROCEEDINGS IN HOUSE MISREPRESENTED BY PRESS

Mr. Marke Raines (Burnaby-Seymour): Mr. Speaker, I would like to raise a matter of privilege concerning an article written by Canadian Press and also a publication put out under the jurisdiction of the Minister of Fisheries and the Environment (Mr. LeBlanc).

My authority for raising this matter of privilege is as reported in part by Erskine May's Parliamentary Practice Nineteenth Edition. At page 153, under the heading "Misrepresenting Members' Proceedings", it reads as follows:

—misrepresenting their proceedings in parliament, is a breach of the privilege of this House, and destructive of the freedom of parliament.

Also I want to refer to the proceedings of the House of Commons for Monday, March 5, 1979. The hon. member for St. John's East (Mr. McGrath) placed a motion under Standing Order 43. I have no quarrel with the reporting in *Hansard*. The motion as passed read:

That this House reaffirms the right of Canadian sealers to go about their legitimate pursuit under the strict supervision of the Government of Canada and the Canadian Federation of Humane Societies, free from harassment and interference.

The motion appeared on page 3795 of *Hansard*. Further down the page it says:

SOME HON. MEMBERS: Agreed.

My quarrel arises from a published report the following day in the Ottawa *Journal* for March 6, 1979, which has just been brought to my attention and which reads:

Meanwhile, in the Commons MPs gave unanimous approval to motion giving full support to the sealers taking part in this year's hunt.

I did not give support to that motion, Mr. Speaker.

Further, there is a publication entitled "Questions and Answers on the Seal Hunt". This publication has also just been brought to my attention. This pamphlet is produced by the information branch of Fisheries and Oceans at Ottawa, Ontario, and comes under the aegis of the Minister of Fisheries and the Environment. On page 1 of this booklet at the bottom of the page it says:

In March 1977 the Canadian House of Commons unanimously passed a resolution reaffirming the right of Canadians to hunt seals.

Every member of this House of Commons is not in unanimous support of that. Therefore, I feel the proceedings of this House have been misrepresented. I ask that this pamphlet be withdrawn by the Ministry of Fisheries and that that matter be placed on the record.

Mr. Speaker: Order, please. The hon. member has raised this matter by way of a question of privilege. He may have a point of discussion that he wants to pursue but he has not been individually wronged by that report; he is not mentioned in it. In addition, the pamphlet reported an event which occurred one week ago today in which all members present in the House unanimously approved that resolution. I do not know how else they could report it. In order to be fair and to report it accurately it would have to name those members who were here and those members who were not here. That would be a more difficult situation than the one which the hon. member has addressed himself to already.

Therefore, while I say the hon. member has a point of interest and discussion, it surely does not constitute a question of privilege.

MR. YEWCHUK—RESPONSE OF MINISTER OF NATIONAL HEALTH AND WELFARE DURING QUESTION PERIOD

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I also rise on a question of privilege. My question of privilege arises from a response which the Minister of National Health and Welfare (Miss Bégin) gave me in answer to a question I had put to her. I think her attitude was rather despicable in that she accused me, or seemed to impute motives in my question. She suggested I was here as a lobbyist for the medical profession. In my view, that was a rather cheap shot on her part. It was not up to her to attack my integrity as a member of this House by suggesting that because I am a member of the medical profes-

sion I am in some way in a conflict of interest situation each time I ask a question in the health field, and particularly when my question relates to the medical profession itself.

It has been a long established practice in this House that medical doctors who are members of parliament are interested in the health field and they ask questions on all aspects of the health care delivery system. If the minister is allowed to get away with this, I do not see how any doctor in this House can get up freely as a member to speak on health issues. If he does imputations will be made in the same way.

To carry this one step further, if a medical doctor cannot speak on health subjects, how can a veteran who is Minister of Veterans Affairs (Mr. MacDonald), or how can a farmer who is Minister of Agriculture (Mr. Whelan), or how can a lawyer who is Minister of Justice (Mr. Lalonde), not be accused of being in a conflict of interest situation since they speak in areas in which they either have had direct connections or still do have direct connections? I can also mention the hon. member for Winnipeg North Centre (Mr. Knowles), who is a old age pensioner and frequently raises questions dealing with pensions; yet for some strange reason that seems to be quite all right.

I would say that if the minister is allowed to get away with this imputation of motives we are going to be left with a situation where only members who have no medical background will be allowed to ask questions concerning the health field and those knowledgeable in the health field will not be speaking in this House.

I ask that a ruling be made on this matter. I have been faced with this problem on a number of occasions in the past. As Your Honour will recall, a similar question of privilege was raised on behalf of members of the press gallery.

In my opinion, the minister should withdraw that imputation of motives. With all due respect to you, sir, if she does not I would suggest that we take at least a day to review the blues to make sure that this question is properly settled once and for all, so that I will feel free to perform my duties in this place as every other member is entitled to do.

• (1510)

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, I have nothing to withdraw. I think my answer was extremely clear. As the hon. member will read tomorrow, I never used the expression "conflict of interest". I logically concluded that the hon. member, being a member of the medical profession, had a natural interest, not at all a conflict of interest. My answer was extremely clear. I did not impute any motive other than the natural and logical interest the hon. member has for the members of his profession, which is a good profession. I simply asked him a few questions regarding what was going on in his province. I did not at all infer what he wants to use in order to do something politically.

Mr. Speaker: My recollection is that the minister said she could understand how the member may be in that position. I do not have the recollection that she indicated a direct accusation of any sort. However, I have to go by memory. The minister says she wants to review the transcript. When the hon. member and all of us review it, we will find if there is anything wrong. We will review it and see tomorrow if any matter deserves to be pursued on the basis of what is contained in the transcript.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I might recall to the minister now the words that I heard her use. Being a fair minister, she might be prepared at this time to bring this to a conclusion. The words she used were "being a lobbyist for the medical profession". In the context that that word was used, and on the basis of the way the answer was given, there can be no other rational conclusion than that the hon. member for Athabasca (Mr. Yewchuk) was asking his question with motives that were ulterior and improper. Maybe the minister did not intend to put it that way. However, what I got from it is quite clear. Maybe on that basis the minister might withdraw. As the hon. member for Athabasca said, we will have to put ourselves in the position where we come into this House, like some people I see from time to time, with no expertise about anything.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, if those words were used, the minister should examine section 16 of the Senate and House of Commons Act. She will find that she not only imputed improper motives, but imputed an activity to the hon. member for Athabasca (Mr. Yewchuk) which is contrary to that statute and contrary to the law. The minister admitted in the course of the interchange that she did use the word "lobbyist", which certainly has an ulterior aspect to it, as the hon. member for Peace River (Mr. Baldwin) suggested. If she is not prepared to withdraw it today, I believe the matter should be held open so that you can examine the question, particularly in view of the provisions of the Senate and House of Commons Act.

Miss Bégin: Mr. Speaker, I just want to confirm that I did use the word "lobbyist". If politicians are afraid of that word, I just do not understand the context of it any more.

[*Translation*]

I think the situation is clearly degenerating into a game. I invited the hon. member for Athabasca (Mr. Yewchuk) to check the official report himself tomorrow: he will see that I never used the expression "conflict of interest." We are all lobbyists since we are all politicians and the quibbling in this House is going beyond any imagining.

[*English*]

Mr. Speaker: Once again I think the only sensible course is to examine the transcript and see if the matter needs to be pursued in any way tomorrow.

Petition

ROUTINE PROCEEDINGS

[*Translation*]

WAYS AND MEANS

TABLING OF MOTIONS

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, pursuant to Standing Order 60(2), I wish to table four notices of ways and means motions and ask that the orders of the day be modified to allow us to discuss them.

[*English*]

Mr. Stevens: Mr. Speaker, I have a point of order arising from the tabling of these documents by the Minister of Finance (Mr. Chrétien). I believe the minister asked for some time to make a statement. I wonder if that can be confirmed. Will we be getting a statement concerning these tariff changes affecting various food products?

Mr. Chrétien: Mr. Speaker, I had no intention of making a statement. I am following the normal procedure of tabling a ways and means motion in the House. I do not think it is necessary to make a statement. I am willing to send a copy to the hon. member.

* * *

CRIMINAL CODE

AMENDMENT RESPECTING RIGHT TO COUNSEL AFTER ARREST OR DETENTION

Mr. J. Robert Howie (York-Sunbury) moved for leave to introduce Bill C-466, to amend the Criminal Code (right to counsel).

Some hon. Members: Explain.

Mr. Howie: Mr. Speaker, this bill establishes and defines the right of an individual to legal counsel after arrest or detention, sets out a mechanism for obtaining it and provides penalties for those who wilfully violate this right.

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

* * *

PETITION

REQUEST FOR IMPROVEMENTS IN RETIREMENT BENEFITS FOR SENIOR CITIZENS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I ask leave of the House to present a petition. It has to do with our old age pensioners. If anyone wants to accuse me of lobbying for a better deal for our senior citizens, I plead guilty. I have been at it since 1942.

This petition is presented on behalf of the Saskatchewan Senior Citizens Action Now Association. It is signed by about 8,000 persons. The petition requests an increase in the amount of the old age pension, a lowering of the eligible age, steps to make it possible for senior citizens to remain in their own homes, as well as other improvements for our older people. I have the honour to present the petition and I recommend it to the consideration of the House.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Roger Young (Parliamentary Secretary to Solicitor General): Mr. Speaker, the following questions will be answered today: 943, 945 and 1,161.

I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[*Text*]

INDUSTRIAL DESIGN ASSISTANCE PROGRAM

Question No. 943—**Mr. Crosbie:**

1. For the fiscal year (a) 1974-75 (b) 1975-76 (c) 1976-77 (d) 1977-78, under the Department of Industry, Trade and Commerce Industrial Design Assistance Programme (IDAP) or any successor programme under the Enterprise Development Programme (EDP), what was the number and total value of contracts (i) between $0 and $5,000 (ii) between $5,001 and $10,000 (iii) between $10,001 and 25,000 (iv) between $25,001 and 50,000 (v) between $50,001 and $100,000 (vi) $100,001 or more (vii) in total?

2. For the same years, what were the expenditures of the Department under the Industrial Design Assistance Programme (IDAP) or any successor programme under the Enterprise Development Programme (EDP) in (a) the Textile and Consumer Products Branch (b) the Agriculture, Fisheries & Food Products Branch (c) the Chemicals Branch (d) the Electrical and Electronics Branch (e) the Machinery Branch (f) the Resource Industries Branch (g) the Construction and Consulting Services Branch (h) the Transportation Industries Branch (i) all branches?

3. For the same years, by province and territory, what was the total in grants and contributions by the Department under the Industrial Design Assistance Programme (IDAP) or any successor programme under the Enterprise Development Programme (EDP)?

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned: Please see tables for response.

Industrial Design Assistance Program

Approvals by Range of Contracts	1974-1975		1975-1976		1976-1977		Industrial Design 1977-1978	
	No. of Projects	Dollar Value $	No. of Projects	Dollar Value $	No. of Projects	Dollar Value $	No. of Projects	Dollar Value $
0—5,000	—	—	—	—	—	—	—	—
5,001—10,000	—	—	—	—	2	15,111	1	6,500
10,001—25,000	4	63,316	5	88,420	6	102,826	4	65,925

Industrial Design Assistance Program

Approvals by Range of Contracts	1974-1975 No. of Projects	1974-1975 Dollar Value $	1975-1976 No. of Projects	1975-1976 Dollar Value $	1976-1977 No. of Projects	1976-1977 Dollar Value $	Industrial Design 1977-1978 No. of Projects	Industrial Design 1977-1978 Dollar Value $
25,001—50,000	6	217,933	4	142,208	3	128,483	6	197,112
50,001—100,000	2	118,448	3	224,312	1	51,300	—	—
100,001 and over	1	143,416	1	127,387	1	124,055	1	107,000
Totals	13	543,113	13	582,327	13	421,775	12	376,537

Expenditures by Branch

Name of Branch	1974-1975 $	1975-1976 $	1976-1977 $	1977-1978 $
Agriculture, Fisheries and Food Products	—	—	—	—
Chemicals	—	7,343	10,326	1,067
Electrical and Electronics	27,008	82,448	90,217	8,627
Machinery	191,552	69,920	141,446	35,236
Resource Industries and Construction	4,054	80,498	78,679	11,862
Construction and Consulting Services		Beam Program only		
Transportation Industries	44,443	142,787	86,809	75,000
Textiles and Consumer Products	112,595	17,004	68,439	31,238
Branch Total	379,652	400,000	475,916	163,030

Approvals by Province

Province	1974-1975 No. of Projects	1974-1975 Dollar Value $	1975-1976 No. of Projects	1975-1976 Dollar Value $	1976-1977 No. of Projects	1976-1977 Dollar Value $	Industrial Design 1977-1978 No. of Projects	Industrial Design 1977-1978 Dollar Value $
British Columbia	—	—	1	19,112	—	—	—	—
Alberta	—	—	—	—	—	—	—	—
Saskatchewan	—	—	—	—	3	27,429	—	—
Manitoba	2	67,626	—	—	—	—	—	—
Ontario	8	402,969	7	194,893	6	279,929	6	180,787
Quebec	3	72,518	5	368,322	4	114,417	6	195,750
New Brunswick	—	—	—	—	—	—	—	—
Nova Scotia	—	—	—	—	—	—	—	—
Prince Edward Island	—	—	—	—	—	—	—	—
Newfoundland	—	—	—	—	—	—	—	—

THE POLICE FUNCTION IN CANADA AS A CONTROL AND ENFORCEMENT AGENCY

Question No. 945—**Mr. Schumacher:**

1. Has the government and/or any department prepared or had prepared a document entitled *The Police Function in Canada as a Control and Enforcement Agency* and, if so, by whom and for what purpose?

2. To date, has the document been circulated and, if so, by name, position and location, who has received it, for what purpose and in what manner have the terms of the document been used?

Hon. J.-J. Blais (Solicitor General): No.

SPACE RESEARCH CORPORATION

Question No. 1,161—**Mr. MacKay:**

Was assistance given by the Department of Industry, Trade and Commerce in the form of loans, grants or other government assistance, to Space Research Corporation of Highwater, Quebec, or any companies or agencies affiliated with it and, if so, what was such assistance?

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned: assistance given to Space Research Corporation and its affiliates by the Department of Industry, Trade and Commerce under the Defence Industry Productivity Program (DIP) is as per the table below.

DIP *Approvals and **Expenditures

	Type of Assistance	Prior Years	1977/78	1978/79
Valleyfield Chemical Products				
Approvals		—	8,325,000	—
Expenditures	Contribution	—	5,036,840	2,455,660
Space Research Corporation				
Approvals		830,000	1,500,000	—
Expenditures	Contribution	621,752	118,747	1,118,252

Points of Order

DIP *Approvals and **Expenditures

	Type of Assistance	Prior Years	1977/78	1978/79
***Shefford Electronics				
Approvals		—	—	—
Expenditures	Grant	32,107	—	—
	Loan	32,107	—	—
Total				
Approvals		830,000	9,825,000	—
Expenditures		685,966	5,155,587	3,573,912

* As Approved by Treasury Board
** Expenditures to February 28, 1979
***Shefford Electronics took over the assets of Beaconing Optical including the contract for the equipment towards which the Department of Industry, Trade and Commerce had provided assistance.

* * *

[*English*]

POINTS OF ORDER

DELAY IN ANSWERING ORDER PAPER QUESTIONS

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I notice on the order paper there are about 1,200 questions to be answered. At this speed, 400 days will be required to answer all the questions at three questions a day. I hope the parliamentary secretary will see that the government does a better job than this so that we can at least have another 200 or 300 questions answered before the election.

Mr. Leonard C. Jones (Moncton): Mr. Speaker, I placed some questions on the order paper last October; questions Nos. 73, 74 and 75 on October 11, 1978; No. 215 on October 16, 1978; No. 297 on October 18, 1978; Nos. 320, 323 and 324 on October 19, 1978. I have received no reply to these questions. I see no real reason why these questions cannot be responded to. I ask the parliamentary secretary to use more than due despatch to get these replies to me immediately, as they are of some concern to my constituency.

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, although I did have a question on the order paper answered today for which I am very grateful, I wish to bring to the attention of the parliamentary secretary question No. 1,167 which I placed on the order paper on February 19. I hope to have an answer to that within the next few days.

● (1520)

Mr. Jake Epp (Provencher): Mr. Speaker, on October 17 I placed a question on the order paper directed to the advertising campaign by Post Office Canada entitled "It Hurts". I take it the only reason I have not had an answer is because the answer hurts the government. I wonder when we could have that reply.

Mr. Roger Young (Parliamentary Secretary to Solicitor General): I am a little surprised at the comments made by the hon. member from Edmonton. There may be some 1,200 questions listed on the order paper, but as he and the House well know a great many questions have been answered in addition to the three which were answered today. All I can say is that we do our best to provide these answers as quickly as possible.

I might add that I could come up with the names of, say, three members of this House who among them account for 20 or 30 per cent of all the questions on the order paper. It is not possible to answer all these questions in one day but we do our best to provide answers to them.

* * *

BUSINESS OF THE HOUSE

Mr. MacEachen: Mr. Speaker, as all hon. members know, it is my intention to call Bill C-42, the energy supplies bill, today. However, as a result of discussions which have taken place it would be my intention at eight o'clock to call the housing bill, Bill C-29, which almost received final approval on Friday. A number of members have an interest in this and if there were agreement that we could call third reading and dispose of it not later than ten o'clock, I would seek the approval of the House to alter the order of business and call that measure after the dinner recess this evening.

Mr. Baker (Grenville-Carleton): Mr. Speaker, there have been discussions with respect to that order of business, and as so much work has been done by my hon. friend for Ottawa-Carleton (Mrs. Pigott) and others with respect to improving that measure it is now in a position to be dealt with almost immediately. I am grateful to the government House leader for proposing to call that bill at eight o'clock this evening. The order that it be completed by ten o'clock is quite proper in the circumstances.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, when the hon. member for Grenville-Carleton (Mr. Baker) used the phrase "and others" I am sure he was referring to my hon. friend, the member for Broadview (Mr. Rae).

Mrs. Pigott: Absolutely.

Mr. Knowles (Winnipeg North Centre): Discussions have taken place as stated and we are prepared to agree with these arrangements. I do not ask that it be made an order, but I express the hope that the speeches tonight will be short so that as many as possible of those who wish to participate in the debate on third reading will be able to do so.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, as a matter of fact, the government leader informed me earlier of the desire to change the order of business, so that Bill C-29 could be discussed at eight o'clock this evening. I understand the Minister of Public Works and Minister of State for Urban Affairs (Mr. Ouellet) is anxious to have this bill passed. As far as we are concerned, we will have very brief comments to make at the third reading stage, and have no intention of impeding its going through by ten o'clock this evening as desired.

[*English*]

Mr. Jones: Mr. Speaker, I certainly was not privy to these discussions but I prefer to give consent because of the need to get this bill through. It should have gone through last week.

Mr. Speaker: I take it, then, that the House is giving its consent to the presentation of a motion which will indicate that the order of business should be changed so as to take the report stage of C-42 followed at eight o'clock by consideration of Bill C-29, and that at ten o'clock this evening all questions necessary to dispose of the third reading of that bill will be put. So part of the order is that the House take Bill C-29 under consideration at eight o'clock on the understanding that it be disposed of by ten o'clock. Though it is not part of the order, the suggestion is that speeches be brief so as to accommodate as many hon. members as possible. Surely the spirit of that suggestion will be taken into account.

GOVERNMENT ORDERS

[*English*]

ENERGY SUPPLIES EMERGENCY ACT, 1979

MEASURES TO CONSERVE STOCKS

The House proceeded to the consideration of Bill C-42, to provide a means to conserve the supplies of energy within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada, as reported (with amendments) from the Standing Committee on National Resources and Public Works.

Mr. Speaker: As hon. members are aware, there are six motions standing on the notice paper to amend Bill C-42 at this stage. I have had an opportunity to give them some consideration. Three of them, Nos. 1, 2 and 5, deal with separate subjects and ought in my opinion to be discussed separately and voted upon separately.

The remaining three, Nos. 3, 4 and 6, all of which are in the name of the hon. member for Peace River (Mr. Baldwin), deal with allocation and it is my impression, subject to further suggestions which may be forthcoming from the House, that they should be grouped together for discussion. Presumably, a vote on motion No. 3 would dispose of motions Nos. 4 and 6. Of course, as the debate progresses I am always open to suggestions that this arrangement be varied; if it appears that a motion required some other treatment I am always in the hands of the House in that regard. However, as I say, my original impression is that the three motions in the name of the hon. member for Peace River may be grouped together and that a vote on motion No. 3 would dispose of Nos. 4 and 6.

Mr. G. W. Baldwin (Peace River): I think you are probably correct, Mr. Speaker, I would point out, though, that we are dealing with different types of order here; one is an amending order and the other is an allocation order. However, I have the impression that if the government is unreasonable with regard to the first one, ministers opposite will continue to be unreasonable with regard to the other motions, so we would be saving time by following the arrangement you have proposed.

I was about to rise on a point of order in any event. During your consideration of my three motions your Honour will no doubt have observed that No. 3 is set out in more detail than Nos. 4 and 6. My thinking was that if the government, in one of its rare moments of reasonableness and lucidity, was prepared to accept the first motion, then because the provisions of Nos. 4 and 6 are to some extent based on the fact that No. 3 might be accepted, I put them forward in a somewhat abbreviated form. Your Honour may have noticed this. At the time I was drafting them I received a memorandum from on high calling for the conservation of paper, otherwise I might have set them out at greater length. My meaning, though, is quite clear.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology) moved:

That Bill C-42, An Act to provide a means to conserve the supplies of energy within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada, be amended in Clause 9 by striking out line 19 at page 5 and substituting the following therefor:

"(4) The Board shall study and keep under review all matters relevant to a full understanding of the international petroleum supply situation and shall from time to time report thereon to the Minister of Energy, Mines and Resources together with such recommendations as appear to the Board to be appropriate and relevant to ensuring that Canada is fully prepared to meet any petroleum supply emergency with well prepared and timely plans for action.

(5) Canada's representation on the Standing Group on Emergency Questions within the International Energy Agency shall, if the emergency oil sharing system provided for in the Agreement on an International Energy Program is activated, be under the direction of the Minister of Energy, Mines and Resources who shall appoint Petro-Canada to be Canada's representative on that Group.

(6) Petro-Canada, in fulfilling its function under subsection (5), shall be responsible to the Chairman of the Board and the Minister of Energy, Mines and Resources.

(7) The Board and its members are".

● (1530)

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I rise on a point of order to question whether these amendments in the name of the minister are in order at this time. The other evening in the committee when we were able to get any information at all out of the minister there was certainly no indication that these amendments would be anything like the amendments which came forward in the committee. This is now the report stage of this bill. I suggest that where amendments change the very intent and meaning of the entire legislation—and I hope to be able to prove that to the Chair very briefly—this is not the time or the place for amendments like that to be entertained by the House.

There are two main purposes for this bill. One is to have a legislative framework to give the government the authority to declare a national emergency with regard to energy supplies,

distribution and usage in the event of a national emergency which may be completely domestic in origin. The second main purpose is to have a legislative framework in place for the allocation of oil supplies in this country in the event of an international stoppage or an emergency in the oil supplies and petroleum supplies industry.

These two amendments go to the very heart of those two purposes, and in my submission they change very drastically the intent, meaning and administration of the bill which was passed by this House at second reading. There was no hint that these very important amendments were coming either from the minister, the government or any representative of the government in the very prolonged and late hours we put in on Thursday night when the committee dealt with and passed this bill.

The first amendment would give the allocation board set up by the bill the power to study and to keep under review all matters relevant to a full understanding of the international petroleum supply situation. This is directly contrary to what many of us believed, following the word of the minister, in the committee the other evening. The implication was that this board would be run only by part time individuals who would not have very much to do unless the government of the day declared a national emergency or in the event that our responsibilities were triggered under an international agreement.

The first amendment, as I read it, would give the board the responsibility, the function and the duty—whether or not there was a national emergency—to set up facilities and staff to study and keep under review all matters relevant to a full understanding of the international petroleum supply situation and to report from time to time to the minister. That was not the meaning or the intent which was conveyed to the committee the other evening by the minister himself. I cannot quote the actual words the minister used last Thursday evening because as far as I know those proceedings have not yet been printed or published. We simply do not have that information here. However, when questioned about the make-up of the board, the minister indicated that there may be no person involved with the board other than the chairman and that the other six members of the board might not even be appointed. The minister said he wanted it that way so that there would be flexibility.

According to the minister's remarks at second reading and according to his clearly enunciated intention in the committee the other evening, this board really would not come into full force and really would not have very much in the way of duties, staff or budget unless there was a national emergency, and a national emergency would be proclaimed by order in council. Only then would the board's powers and the bill itself be brought into full force and effect. That is in contradiction of the amendment which is being brought forward at this late stage by the minister.

My submission is that the first amendment is very clearly out of order. If the minister wants to withdraw the amendment or if he wants somehow to return the bill to the committee where there could be proper questioning and a proper explanation of the amendment, we would be very happy to oblige. At that time perhaps the matter could be dealt with, although I do not really believe that a government amendment of this magnitude and importance with respect to a bill such as this should be introduced even in the committee. However, we could argue that point in the committee. I think we would all be happy to hear the minister in the committee and to ask him questions in the proper atmosphere and in the informal manner in which that type of interrogation should take place.

My submission is that an amendment which completely changes the administration, the purpose and the intent of a board which was to have full powers of administration only when a national emergency was proclaimed by order in council should not be introduced at the report stage.

The second amendment in the name of the minister is of the same nature. The secondary purpose of this bill is to set up some type of domestic allocation scheme as part of our responsibility under an international agreement Canada signed in 1974, if your Honour can believe it. One of our responsibilities is to have in place a legislative framework so that in the event of an international shortfall in petroleum supplies the government will have in place some domestic allocation scheme under the aegis of the International Energy Agency. Indeed, it was that 1974 agreement which set up the agency and an allocation scheme.

At no time previous to this has there been any intimation whatsoever that the Canadian state-owned oil company, Petro-Canada, was going to be Canada's representative to that agency set up under the international agreement. Nor was there any intimation by the government or the minister that Petro-Canada was going to fulfil its function by being Canada's representative, thereby having full control over allocation and the administration of this very important agency and this very important scheme in the event of an international crisis or an international shortfall in energy supplies.

I think the minister will agree that this is a very important amendment. It is not the type of amendment which should come before the House for the first time at the report stage of a bill after committee stage. It surely should have been presented in the committee the other evening by the minister so that we could have the benefit of his views and get into questions and answers in respect of the amendment.

The minister may be perfectly right that the bill is meaningless without these kinds of amendments. The minister may be perfectly right that it is part of an important government policy that Petro-Canada play the leading role in the event of an international oil crisis. I do not believe that but, nevertheless, the minister may believe that. If he does, certainly the time for him to spring this mammoth change in government policy should have been prior to the report stage of this bill.

● (1540)

My submission to you, sir, therefore, is that the minister withdraw these amendments, or perhaps the minister would like to indicate that he would like to see the matter referred back to the committee. In either case we would be happy to

oblige. But at the report stage to bring these amendments to the House, to hon. members, to the public, to the industry and to other governments which have not been consulted in respect of any of these matters, is a surprising turn of events. I would also suggest to you that it is completely out of order.

Mr. Speaker: I think we must be clear on one fundamental point, namely, that there is no procedural deficiency in these amendments simply because they were not introduced in the committee. We must be clear on the fact that the right to take advantage of proceedings pursuant to Standing Order 75 in respect of report stage amendments is in the Standing Orders, and therefore if the motions are otherwise in order, the fact that they were not introduced or that there was no indication in the standing committee that they would be introduced might have something to do with propriety but has nothing to do with procedural regularity.

However, that does not end the discussion and I am prepared to listen to arguments that the motions might be out of order. But they have to be so on the merits of the argument, not simply based on the fact that they are introduced at the report stage and were not introduced in the committee.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I would like to assist in your consideration of whether motion No. 1 is in order. First, I would draw Your Honour's attention to the proposed new subclause which, as my colleague has just pointed out, deals with Canada's representation on the standing group on emergency questions within the International Energy Agency, and in turn indicates that the minister will exercise direction with respect to what will be our role if that program is activated. It then goes on to state:

—the Minister of Energy, Mines and Resources who shall appoint Petro-Canada to be Canada's representative on that group.

The point I want to make initially is that if we read the royal recommendation with respect to Bill C-42 we find that it deals entirely with matters within Canada. There is no suggestion that the royal recommendation covers anything of an international nature. It states:

His Excellency the Governor General recommends to the House of Commons the appropriation of public revenue under the circumstances, in the manner and for the purposes set out in a measure entitled "An act to provide a means to conserve the supplies of energy within Canada during periods of national emergency caused by shortages of market disturbances affecting the national security and welfare and the economic stability of Canada."

I suggest that when we read subclause (5) we find it deals with an entirely different subject. It deals with the question of what shall be Canada's representation on the standing group on emergency questions within the International Energy Agency, which, as my colleague has pointed out, is an agency which was first referred to in 1974. So I believe that unless you find that the royal recommendation has anticipated this type of clause, on that score alone the motion should be ruled out of order.

Second, I should like to point out that it is proposed that the minister exercise direction regarding what our participation in the International Energy Agency shall be, and that he shall appoint Petro-Canada to be Canada's representative on that group. It is fundamental in law that an agent cannot in turn appoint an agent. Yet we have here the suggestion that the minister will appoint as his agent Petro-Canada to sit at some type of council table. Petro-Canada cannot sit to negotiate at a table; it has to negotiate through a representative or through its own agent. On that basis as well the clause should be ruled out of order.

If the minister had wished to say that he would appoint a representative of Petro-Canada or the chairman of Petro-Canada, or if he had used some such terminology, perhaps the clause would be in order, but on its face the suggestion that this parliament would empower the minister to appoint Petro-Canada to a body must fall because Petro-Canada as such cannot take a seat or in any way be represented other than through an agent or a representative.

I suggest that on those two counts the motion should be ruled out of order with respect to subclause (5).

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, I should like to contribute to this debate a few brief comments because I agree with my colleagues that motion No. 1 is most certainly out of order. You are well aware of citation 773(1) of Beauchesne's fifth edition, which states:

An amendment is out of order if it is irrelevant to the bill, beyond its scope or governed by or dependent upon amendment already negatived.

It is my view that this amendment is beyond the scope of the bill. I endorse the arguments of my colleague, the hon. member for York-Simcoe (Mr. Stevens), as well as those of the hon. member for Northumberland-Durham (Mr. Lawrence) who indicated that there was absolutely no indication in committee, after an hour's debate, that an amendment such as this one would be coming up. So it came as a surprise to see this motion on the order paper.

Regrettably, I did not have time to look up the Petro-Canada Act but I am certain that an amendment was introduced by this side of the House after a great deal of strenuous debate that Petro-Canada may receive policy directions from the governor in council. The original bill as presented by the government contained the provision that the minister could direct Petro-Canada to obey his written instructions, but the act was amended so that only the governor in council could give policy directions to Petro-Canada. The reason for that was to remove day to day interference.

Subclause (5) of motion No. 1 indicates that the minister shall have responsibility for the emergency energy program and that he shall appoint Petro-Canada to be Canada's representative on that group. In order to fulfil his responsibilities, therefore, he would have to give directions to Petro-Canada in a way that is contrary to the provision to which I referred in the Petro-Canada Act. Those kinds of day to day instructions are simply not permissible under the act.

My other more general point has to do with the International Energy Agency. The International Energy Agency is an outgrowth of an agreement on an international energy program, which is a treaty signed by a number of so-called western industrialized nations, including Canada. It is not an

act of this parliament, not a treaty sanctioned by this parliament, but an international treaty which can be changed by an international agreement. It is a treaty from which Canada may well want to extract itself if we achieve self-sufficiency. Indeed, we would be wrong to carry on international obligations beyond those that are to Canada's benefit.

It seems to me most inappropriate and going beyond the scope of the bill to include a motion which addresses itself to appointing Petro-Canada to be a representative on an international group. The title of that group could very well change by mere amendment to the international agreement which was not sanctioned by this parliament. The agreement could lapse very quickly without any sanctions from this parliament, and yet, if this motion is passed, parliament would be directing the corporation to take up membership in a group which may or may not have any longevity and which is created as a result of an international agreement from which we might want to extract ourselves in the near future.

• (1550)

I submit respectfully that this energy agreement was negotiated by the governor in council and the standing groups were as a result of international agreements at government level. I submit that is a quite separate and distinct question from the scope of the bill, which deals with setting up allocation and rationing procedures in Canada if and when the need arises.

Any amendment to Petro-Canada's authority and responsibility rightfully belongs in amendments to the Petro-Canada Act and not in an act dealing with allocation and emergencies. The Petro-Canada Act spells out the responsibilities, obligations and authorities which Petro-Canada receives from the minister. In essence, the motion amends the Petro-Canada Act. Clearly that is not included as part of the royal recommendation or any other part of the act.

As I have indicated, I endorse the reasons put forth by the hon. member for York-Simcoe and the hon. member for Northumberland-Durham. Therefore, I submit the motion is out of order.

Mr. Speaker: There are other hon. members who wish to discuss this matter, but I do not want to leave the argument just presented by the hon. member for Calgary Centre (Mr. Andre) without saying that I think his last point is the most telling. Other points were made relating to proceedings in committee and as they relate to report stage, and there were arguments concerning the international aspect of the matter. I am not as concerned with those because the board will come into existence in a certain manner and for a certain purpose. Obviously the board has domestic responsibilities and it will be constituted for the purpose described in the bill. Without being constituted for its purpose, the board has no powers at all because it does not exist.

Once being constituted in conformity with this statute and all parliamentary aspects contained within the statute, whether it is wise or unwise to give it the power or responsibility to examine international situations as an incident of domestic responsibility is not my question. At least, it is sufficiently incidental to the functions of the board, once it is set up under the act, that I would have great difficulty in finding the motion procedurally out of order on those grounds.

The argument put forward by the hon. member for Calgary Centre is one which has troubled me since first the point was raised, and that is whether this is the first introduction of any activity by Petro-Canada into the statute. As the hon. member argues—and I will have to examine that question—if in order for Petro-Canada to assume its responsibility it must be given powers which it does not have under the Petro-Canada Act, which in other words would constitute an amendment to the Petro-Canada Act or an effort to amend the Petro-Canada Act by amending the statute, then that amendment would be clearly out of order. Of course, there will be arguments in support of the other side, and I will have to reserve and examine the matter, but that is one point raised by the hon. member which concerns me.

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I would be concerned if Your Honour were to brush lightly over the fact that the committee dealt with this matter in almost indecent haste. We met until midnight or one o'clock in the morning to discuss this matter and to accommodate witnesses who came from all over the country. If we were to accept these amendments on report stage in the House of Commons, really we would make a farce out of the committee system. The minister was questioned repeatedly in front of other witnesses as to his intentions regarding the setting up of this permanent board. We were concerned about another bureaucracy. The minister assured us that the board would not be activated until there was a clear emergency declared by the governor in council.

We asked the minister why the bill was structured in that manner, and he said that there would be a chairman, a secretary, and he was very vague about the other appointments. As a matter of fact, there was a suggestion by the New Democratic Party that Petro-Canada should be appointed to that board. The minister had no objection to that, but he could not commit himself to appointing special members or special interest groups to the particular board.

Contrary to the minister's testimony before the committee, with this amendment before the House the board will be a permanent one. It will monitor not only domestic but international developments in the energy field.

Mr. Speaker: Order, please. I think we ought to be very clear on that point because it seems to be in some question. I read the amendment to give to the board, obviously once constituted, the incidental power of inquiring into the international situation in order to discharge its functions of emergency supplies, allocation, control and things of that sort. Obviously the board cannot have that function or any other function until it is called into existence for the purposes and in the manner set out under the statute. Perhaps we ought to be very clear on that.

Mr. Oberle: With the minister's amendments, the board will be brought into existence now. We are not waiting until an emergency happens; the board will be set up now. At one point we had a bill before us to establish the framework in which the governor in council could react to an emergency. Under certain circumstances he must call parliament into session after a certain point in time. That was the intention of the bill, but now it goes further; it establishes a permanent board without an emergency. That is an important factor.

Witnesses representing the oil industry appeared before the committee. Imperial Oil did not attend, but certainly both national petroleum associations attended before the committee. In questioning the minister assured the committee that Petro-Canada does not play any preferred role in the petroleum field in our country; it is to compete in the marketplace like any other company. Also the minister indicated that it was never the intention of the government to establish this company with a preferred position.

Now Petro-Canada will be the agent on which the minister will rely to tell him, first, when there is an international or domestic crisis, and second, to advise him on how he or the governor in council should react to such crisis. If that is not a preferred position of one competitor in the business, then I do not know what is. Surely this goes far beyond not only what the bill intended in the first place, but far beyond the testimony the minister gave before committee. It makes the committee system a farce and it deceives the witnesses who appeared before committee in good faith. I would ask Your Honour to consider this motion on those grounds.

Mr. Speaker: I should like to point out that clause 3 of Bill C-42 reads, "There is hereby established an Energy Supplies Allocation Board—". The board is established by the statute. I gather programs will be referred to it and it will be examined by parliament from time to time; but clause 3 indicates that it is hereby establishing an energy supplies allocation board. Thus, by the passage of the act the board is established. Futhermore, there was an amendment in committee to clause 3 indicating that one of the members shall be a senior official of Petro-Canada.

Mr. Knowles (Winnipeg North Centre): It is Petro-Canada, not "Perro-Canada."

Mr. Speaker: It reads "Perro-Canada", but I am sure it is Petro-Canada. Surely the notion that the board will be established by the statute is not a new one. The manner in which it is given a program of allocation may come into play in discussion; but the board is established upon passage of the act, or at least it is enabled to be established by the passage of the act. Thus, that cannot be a new consideration.

Respecting the role of Petro-Canada, as I said to the hon. member for Calgary Centre that may be an extension of the powers of Petro-Canada. If it is, I will have to examine it and see if it is out of order. However, obviously the position of Petro-Canada must have been considered because the amendment passed by committee is that one of the members of the board shall be a senior official of Petro-Canada.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, I will not go over the same ground which Your Honour has observed already. As hon. members opposite have mentioned, it was a late evening. Some of us stayed right to the bitter end and some did not. It may well have been that some of the concerns of the hon. member for Northumberland-Durham (Mr. Lawrence) respecting these kinds of questions might have been answered if the member had been able to stay to the bitter end. I am not blaming him for not staying to the bitter end; it was a long evening and we did a lot of work. But it is quite clear the hon. member is under some misapprehension even as to the nature of the act itself.

• (1600)

As to the whole question of the creation of the board itself, you do not need to have a war in the Middle East in order to create the board; the board will be created. I think that point has already been covered by you, Mr. Speaker. The board will come into existence with the passage of the bill.

The second aspect which I think is very important relates to the submission made by the hon. member for Sault Ste. Marie (Mr. Symes) to include Petro-Canada on the board with a reference specifically to the chairman. That was amended at the committee and the bill before us now contains the words "a senior officer of Petro-Canada". There was no argument by opposition members at that time about whether this was procedurally correct. They voted against that particular provision, and I give them their due there; but there was no procedural question about whether Petro-Canada could be added to the emergency supplies allocation board, any more than there was any question about when the emergency supplies allocation board would be created.

There have been suggestions that the report stage should deal only with amendments which have already been considered by the committee; I think that was the burden of the remarks of the hon. member for Northumberland-Durham. Clearly that is not the practice of this House, as evidenced by the fact that a member of his own party, the hon. member for Peace River (Mr. Baldwin), has introduced three amendments that are before us now but which were not introduced before the committee.

Mr. Lawrence: He gave notice.

Mr. Gillespie: I acknowledge that this amendment we are producing was not dealt with before the committee, but nor were the three the hon. member for Peace River has introduced. He is not a member of that committee.

The hon. member for Northumberland-Durham says we were given notice. I do not know in what form we were given notice. He may have made some general statement that there would be other amendments, but there was no indication of what the nature of those amendments would be.

There has been a charge that Petro-Canada for some legal reason should not be nominated as a representative of the standing group on emergency questions and as part of the senior administrative body of the emergency oil sharing agreement of the International Energy Agency, of which Canada is a senior member, I suggest that Petro-Canada is a corporation and the hon. member should be the first to realize that as such it is a legal person and therefore can be nominated. There was some suggestion that this would be beyond the confines of Petro-Canada, that this was somehow extending the powers of that corporation. I would think that a reading of the act would indicate that Petro-Canada has very wide powers in respect of representing Canada on international questions. Indeed, Petro-Canada has been acting for and representing Canada on international matters, whether they involve international oil companies or discussions already going on with the International Energy Agency. Indeed, I have reason to believe that the International Energy Agency would welcome Petro-Canada's association with the operation of the emergency oil sharing agreement.

There are a number of committees set up under the oil sharing arrangement by the International Energy Agency, and I will deal with those in my remarks, Mr. Speaker, when we get to the substance of the amendment if you rule that it is in order.

Quite clearly the International Energy Agency set up under this emergency oil sharing arrangement will have to rely on the competence and knowledge of multinational oil companies, and I think it is in Canada's interest that our national oil company be alongside to protect Canadian interests when the implementation of this oil sharing arrangement is undertaken.

In committee Petro-Canada was added to the membership of the emergency supplies allocation board itself, and it seems to me to be even more important now that Petro-Canada be included and designated as our watchdog with the other multinational corporations that will be involved in the implementation of that oil sharing arrangement. After all, all hon. members will remember it was not so very long ago when one of the international oil companies, Exxon, involved itself in the diversion of crude which was destined for Canada. It is in that kind of situation that I think it is important that Canada should be involved, in order to guard against this sort of thing.

There were other allusions by the hon. member for York-Simcoe (Mr. Stevens) about the domestic rather than the international nature of this, which shows, once again, it seems to me, that the opposition is not really seized of energy questions today. Hon. members opposite somehow seem to think that these matters are self-contained in Canada and are not created internationally. That hon. member obviously has not read my remarks on second reading; nor has he followed the details of the discussion during the committee stage. Had he done so he would have recognized that one of the reasons it is necessary to have this bill now is that the international situation may create circumstances under which the International Energy Agency will be called upon to act. That is why the powers are being sought at this time.

[Mr. Gillespie.]

Petro-Canada has been involved in international questions. I submit this is not beyond its mandate, and that these amendments are fully consistent with the practice of this House.

I cannot see that the other questions which have been raised require further attention. I think it was argued by the hon. member for Northumberland-Durham that we were in some way changing the powers and the duties of the board. That is correct; we are amending the powers and duties. That is the purpose of this amendment, just in the same way as hon. members themselves amended the membership of the committee with the addition of a senior officer of Petro-Canada.

I submit that this particular amendment is in order, and I submit it is essential that Canada be represented on the International Energy Agency by the Canadian national oil company in order to protect us in the implementation of a program which would otherwise be implemented almost exclusively by multinational oil companies.

Mr. Speaker: Order, please. This matter has been rather thoroughly argued. There are two or three points I have to consider, one of which I may have to take under advisement for some time, depending on the arguments advanced during the debate. There are some I think I can deal with now.

Report stage proceedings as described in Standing Order 75 are independent of committee proceedings and, therefore, I cannot find motions at the report stage as being out of order simply because they were not previously presented. Report stage is, in fact, independent to a very large degree of the committee stage of a bill. As long as the Standing Orders and the precedents in respect of report stage are adhered to, I am in no position to interfere on a procedural ground simply because a motion may be raised for the first time at the report stage. Therefore, I cannot set this motion aside on this ground.

The second point has to do with the scope of the bill and whether the motion introduces a new concept that goes beyond the original scope of the bill, thereby rendering it out of order. With respect, I think I must conclude, as I mentioned during the course of the argument for the benefit of those wishing to make further contributions, that it is not for the Chair to attempt to decide the full effect of the consideration or the passage of any clause by the House when making an examination of the procedural regularity. Certainly the Chair must be bound by the conditions as they are found, as there may be some complication as a result of the details once an amendment of this sort is passed. I have to address myself only to the general question.

The purpose of the proposed statute is to establish a board for the purpose of dealing with emergency energy supply problems. The purpose of the motion that is before me now seems to be that, in the course of addressing itself to the domestic supply situation, the board shall look into the international aspects of Canada's oil supply. I cannot find that function so different from or unrelated to the function given the board under the statute that I should rule the motion out of order. It seems to me to be an incidental function. It is not for me to decide whether it can or cannot be done or whether it

may lead to complications. I have to decide whether that function is sufficiently incidental to the basic function given the board under the main statute that I am to consider it a procedurally regular amendment to the bill.

● (1610)

I do so find that it is so related to the function put forward for the board in the bill that this incidental function which is described in the amendment is one to which the House ought to address itself in debate and decide. Therefore, the motion in that respect cannot be found to be procedurally out of order.

It was argued that the effect of this amendment was to establish the board now, whereas previously the statute had only the intention of establishing the board in the face of a national emergency. To me, the clear language of clause 3 provides that the board is established when the bill is passed. It may be activated in certain ways—by the triggering of an emergency or other things done by orders in council—but, nevertheless, the clear language under the statute is that the board "is hereby established". Therefore, I have to put that argument aside.

It seems to me this leaves me with only one argument, that put forward by the hon. member for Calgary Centre (Mr. Andre). To find in his favour may put the House in a rather awkward position. The House is faced with clause 3 which reads as follows:

There is hereby established an Energy Supplies Allocation Board consisting of a chairman and up to six other members to be appointed by the Governor in Council to hold office during pleasure and one of these members shall be a senior official of Petro-Canada.

If I were to accept the hon. member's argument that service on this board, or in turn on the related international committee which is referred to in the amendment, by someone from Petro-Canada or by Petro-Canada itself as a legal entity constitutes an extension of the function of Petro-Canada, presumably I may have to rule that part of the bill out of order as well and that might put the House in a rather difficult spot.

In any case, I have indicated to the hon. member that I am concerned about the point he has raised. I think I have to reserve that point and examine very carefully the substance of the debate on this motion to see if during the course of the debate I can be satisfied that in fact this function by Petro-Canada is an extension of its functions as described in its own enabling statute and requires an amendment to the Petro-Canada statute. If it does, then I would agree with the hon. member for Calgary Centre that, if an attempt is being made here to amend the Petro-Canada statute, the amendment in that respect is out of order and I would have to strike the Petro-Canada provision from it. On the other hand, if it is simply a function which may be additional to what Petro-Canada is doing now, but not requiring additional statutory authority, then I would think that the amendment could probably stand.

I will therefore examine the arguments on substance and before the question is put to the House return to rule on the point raised by the hon. member for Calgary Centre.

Mr. Andre: Mr. Speaker, I just wanted quickly to address this question of clause 3 which was amended in committee. The original amendment put forward by the hon. member for Sault Ste Marie (Mr. Symes) specified that the chairman of the board of Petro-Canada would be a member of the energy supplies allocation board. The consideration of extra duties for Petro-Canada occurred to me and I took the view that that was directing an individual, not an organization. It was not dealing with new duties for Petro-Canada per se, but for an individual. The language was amended by members of the government to "a senior official of Petro-Canada." I think the argument would still hold that we are talking about extra duties for an individual, whereas paragraphs (5) and (6) of motion No. 1 proposed by the minister impose additional responsibility on Petro-Canada, the organization.

The Petro-Canada Act laid out in detail the responsibilities and obligations of this new Crown corporation. To add additional obligations and responsibilities to this Crown corporation, which paragraphs (5) and (6) of motion No. 1 do, is, in essence, amending the Petro-Canada Act.

That would be the basis of my point of order. I do not think we are in trouble regarding the assignment of a senior official of Petro-Canada, an individual, which is quite different from assigning new responsibilities to a Crown corporation whose responsibilities are spelled out in detail in an act specifically directed toward that goal.

Mr. Speaker: If I understand that last point correctly, then, I would take it that in the view of the hon. member for York-Simcoe and the hon. member for Calgary Centre it is not a matter of the principle that is involved here—that if subclause (5), instead of the words "Petro-Canada", had "the chairman of Petro-Canada", and in subclause (6) the same, that it was "the chairman of Petro-Canada" and not "Petro-Canada," the matter would be procedurally in order.

It seems to me that it is a self-defeating argument. If we are worried about introducing a new element or function for Petro-Canada, what is the difference between introducing new functions for the chairman of Petro-Canada, who is, after all, created by the same statute, and for the Petro-Canada corporation itself? In other words, it seems to me that the hon. member is saying that he is not objecting to it on the grounds that there is an extension of the powers conferred in the Petro-Canada statute so long as it is done in respect of the chairman but not in respect of the corporation.

I have to worry about whether it requires an amendment to the Petro-Canada statute. Surely if it requires an amendment to the Petro-Canada statute to do it for the corporation, it will equally require an amendment to do it for the chairman whose existence is as a result of the statute.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I have been distressed about this last point for the last few minutes, and if I may I should like to go back in order to give assistance to Your Honour.

We as a parliament clearly gave to the National Energy Board power over the judicial function of managing the oil

industry in Canada when we originally passed the National Energy Board Act. We also gave the board the policy function of advising the government or carrying out government instructions in the policy field. That bill became an act of parliament in 1959.

Since that time there has been a battle within the civil service to take away or reduce in measure the powers of the National Energy Board which parliament had put in place to control the world-wide operation of our oil industry by the "big seven". This was a Canadian effort to give control over import and export of energy to the National Energy Board only.

Coming back to this particular bill, we find that on two occasions specifically, if there is a clash between the board that the minister is setting up and any law or regulation of the National Energy Board, this bill has priority.

When we saw the royal recommendation we thought this was purely a bill for emergencies within Canada. We said the measure should be in place in case there was an emergency. I would point out that if that is so, if we are trying to sneak Petro-Canada on to this allocation board—which in the eyes of the National Energy Board is simply a Canadian company, and nothing else—to give it priority of place in decisions dealing with the duties of the National Energy Board on the import and export of oil for energy, we are moving into a very dangerous political field.

I do not think my observations to you bear exactly on the point of order totally but I think they strengthen the position originally taken by the hon. member for Calgary Centre (Mr. Andre), namely, that in this whole matter we as a parliament must be clear.

In 1959 we gave certain powers to the National Energy Board. Over and over again in the last 20 years there have been efforts to reduce that power. Now there is another clear attack on that power in the setting up of an energy supplies allocation board ostensibly to control emergencies in Canada. It is giving to that one oil company Petro-Canada—which is simply one of the clients or companies in Canada that takes direction from the National Energy Board—either through its chairman or through the allocation board itself, the power to overrule for national purposes the function parliament has already given to the National Energy Board.

I think that if this background were in Your Honour's mind as you were considering the point, it might help you to see it in perspective. I do not envy you your job of trying to decide.

● (1620)

Mr. Speaker: There have been several arguments left with me already. I am anxious to have the debate commence so that we can get into the merits of the matter as to the function of Petro-Canada within this context. I do not think I can usefully consider the procedural aspect of it any further at this point. I would like to get on with the debate. I have reserved on the procedural regularity on the basis of whether the introduction of Petro-Canada into this agency constitutes an extension of the Petro-Canada function that requires statutory control. If that proves to be the case—and I think I will get some enlightment on that aspect during the course of the debate—I have already indicated that I would hold that part of it out of order. If not, then I think it ought to stand.

[Mr. Hamilton (Qu'Appelle-Moose Mountain).]

Mr. Gillespie: Mr. Speaker, I would like to address myself to some of the questions you have raised.

Mr. Lawrence: Mr. Speaker, I wish to rise on a point of order which has not yet been made. Perhaps the minister might want to reply to it.

Mr. Speaker: I see the hon. member for Welland (Mr. Railton) and the hon. member for Algoma (Mr. Foster) want to make a contribution. Perhaps I can hear the hon. member for Northumberland-Durham, then the hon. member for Welland, then the hon. member for Algoma and conclude with the minister. Everyone has introduced arguments already. If I hear one member a second time, surely I should hear everyone a second time. I do not know to what extent we can carry this on. I would like to have all the arguments in hand before I try to decide the matter. I do not see how I can decide the question of the position of Petro-Canada until we get into the debate and hear from the minister what Petro-Canada is going to do.

The hon. member for Northumberland-Durham is rising. There are other members. I will hear them.

Mr. Lawrence: Mr. Speaker, I am sure the House appreciates your patience and tolerance. I am sure Your Honour is aware that the committee dealing with this matter sat until a very late hour on Friday last. It was on Friday, under the rules of the House, which obviously have to be changed in respect to this matter, that amendments had to be put in. Because of the weekend which intervened none of us in this House have had an opportunity to look at these amendments and the notices of the amendments. These came to our attention just this morning.

There is one other point which should be raised at this time. When Your Honour is doing some research into the powers and the authority of Petro-Canada itself, could you also take a look at the make-up of the International Energy Agency? This was set up under a 1974 treaty signed by this government and there are now 18 other signatories to that agreement. Basically the administration of the International Energy Agency is carried on at three different levels, as far as representatives of government are concerned. Of course, there is the secretariat which handles the administration, but the three levels of decision-making within that agency, as I understand it, are as follows. I quote from Article 50 of the treaty:

> The Governing Board shall be composed of one or more ministers or their delegates from each participating country.

As a matter of fact, I believe our own minister is on the governing board, or used to be. Certainly that is a clear indication that the governing board of the International Energy Agency itself has to be composed of people at the ministerial level as far as their being representatives of the countries that are signatory to the agreement is concerned. The next level down is the management committee. In this case I am referring to Article 53, which reads as follows:

The Management Committee shall be composed of one or more senior representatives of the government of each participating country.

Obviously this means that a representative, if not from the ministerial level, should be chosen from at least the top civil servants of the government of each participating country. The third and final level is that of the standing groups. Subsection 1 of Article 54 of the treaty says:

Each Standing Group shall be composed of one or more representatives of the government of each participating country.

I suggest that in actual practice, and in regard to the technical language of the International Energy Agency, the persons who are representatives of governments in respect to the standing groups, where the minister's amendment purports to place a representative of a state-owned oil company, are composed of one or more representatives of the government of each participating country. Under the language that is almost the same for each one of these levels of the agency itself, it is inherent that the representative or representatives of this country on the standing groups of the International Energy Agency should be members of the government, senior civil servants or members of the bureaucracy. By that I mean civil servants and not necessarily public servants.

I suggest to you, sir, that research should be done to decide whether Petro-Canada itself has within its incorporating statute the power to be a representative of the government or whether it is independent of the government. In my opinion, it is not possible to send anyone else but a senior civil servant, or a civil servant, to be a member of Canada's representation on the standing group of the International Energy Agency. Again, to do so would be out of order because Canada is a signatory to that agreement.

Mr. S. Victor Railton (Welland): Mr. Speaker, I will not enter the argument about who will represent us on the International Energy Agency. In my opinion, it is important to mention the duties given Petro-Canada when the act was passed by parliament. It was to enter into the retail, wholesale, distributing, drilling, and exploration fields just like any other multinational oil corporation. As for serving on a national committee, there is no good reason why it would not be eligible from its incorporation preambles in the bill, as far as I remember them. The appointment of an official, after all, depends upon his acceptance. The government cannot insist that the official designated has to act. It is purely a courtesy. I see no reason to get into an argument as to who will be appointed, whether he is a member of Petro-Canada or not. If that is mentioned in the bill and it is the government's policy to do so, I think that is quite in order and I agree with that.

On the other point, I believe that some research should be done.

Mr. Maurice Foster (Algoma): Mr. Speaker, on the argument concerning the use of Petro-Canada, the act establishes the energy supplies allocation board. The minister in making his speech indicated that there would be representatives of producers, of consumers, of provincial governments and so on. It seems to me it would be most unusual if Petro-Canada, which I understand is the eighth highest gas producer in the country and is high on the list as an oil producer, was set up to be a window on the industry and was not represented on the board. There will be other senior representatives on the board including one from the oil companies as well as representatives of consumers and of the provinces. It would be most unusual if the government did not appoint one of its people from Petro-Canada to serve on that board.

● (1630)

I really cannot see any conflict with introducing Petro-Canada. It is the national petroleum corporation of this country. There are going to be representatives of the producers. Why could we not have a representative from our own producer, especially when that producer is not only producing oil and gas but will also be buying oil offshore from Mexico? If that is the group within the Government of Canada or its agencies which is concerned with that, obviously it should serve on that committee.

The other section of the minister's amendment, Mr. Speaker, as you have already suggested, is that this board should study supplies offshore. I can do nothing but agree with you that if this board is not studying the supply situation offshore and reporting to the minister, it certainly would not be doing its job.

I do not see the argument which the hon. member for Northumberland-Durham (Mr. Lawrence) has made, that this representative has to be a senior civil servant as opposed to a representative from PetroCan. The amendment proposes that the minister be the person responsible on this standing group on emergency questions, but this function would be delegated to PetroCan as the representative of the federal government who is intimately involved in the whole question of imports and supply from offshore, and production as well.

I really cannot see the conflict, certainly with the amendment that was made the other night. The minister has continually said that we would have representatives of the producers. In fact, the person who is chairman of the board of Petro-Canada now was the repesentative on some of the standing committees of the International Energy Agency for several years. He is probably more knowledgeable than many civil servants, certainly those who came from Ontario to harangue the committee the other night.

I do not see the difficulty here. The whole mechanism of the bill is to establish the board. The hon. member for Prince George-Peace River (Mr. Oberle) did not seem to catch that.

Mr. Speaker: Order, please. The only question that remains at issue is the idea of using Petro-Canada in this function. I have no more concern about Standing Order 75 amendments and the international function of this agency as being incidental to its function to ensure domestic supplies. There is no sense going over that ground again. There is only one problem on which I have reserved, and that is whether the choice of someone from Petro-Canada in this regard represents something for which an amendment to the Petro-Canada statute is required.

Mr. Foster: At that point it seems we have within Petro-Canada people working for the Government of Canada through a Crown corporation who are knowledgeable in this field. It would be natural for the minister and the government to appoint them to serve on this International Energy Agency, especially at a time of crisis, and also to have one representative from the Crown corporation serve on the energy supplies allocation board.

Mr. Speaker: I see the hon. member for Bellechasse (Mr. Lambert) is interested in getting into the argument which has been going on for some time. I will hear the hon. member for York-Simcoe, the hon. member for Bellechasse and then the minister, which will then conclude the matter.

Mr. Stevens: Mr. Speaker, I will direct my remarks to the specific point to which you have referred. I simply draw your attention to a very significant difference in the wording of clause 3 which the minister referred to, which states that one of these members, meaning members of the supplies allocation board, "shall be a senior official of Petro-Canada". I suggest that all that is being stated there is that out of the virtually hundreds of people that the government might choose to go on that board, the bill that went through the committee says that one of those people should be a person who is also a senior official of Petro-Canada.

The reason I stress that has nothing to do with the powers within Petro-Canada. In no way does that indicate that Petro-Canada is being called upon to do anything. It simply states that an official of Petro-Canada shall be one of the people who will sit on that board. If you like, it is almost as if by coincidence, but for obvious reasons, in their wisdom the majority in committee felt it was wise to have somebody who is an official of Petro-Canada also act on that board. I stress that has nothing to do with the powers of Petro-Canada itself. It is as if the committee has suggested that included on the board should be a representatives from the National Energy Board. That is something they could say. In other words, the person would need to be wearing two hats.

I stress this because when we look at the proposed wording in subclauses (5) and (6), it very clearly is not a matter of putting an official of Petro-Canada on to this new board or on to the International Energy Agency. The minister is proposing that he will appoint Petro-Canada as his representative. That is why we then have to find whether in fact Petro-Canada has those kinds of powers. Can it act under any circumstances as an agent of somebody else?

The point I referred to earlier, if we found that they did have that power, is how, then, can Petro-Canada, in effect, carry out that power? Because Petro-Canada cannot speak unless it speaks through another agent which presumably would be an official or some other officer of Petro-Canada. Subclause (6) makes it abundantly clear that they intend Petro-Canada as an entity to act, and it must therefore have the power to act. Subclause (6) says that Petro-Canada, in fulfilling its function under subclause (5), shall be responsible to the chairman of the board. I feel that both (5) and (6) conjure up an entirely different role for Petro-Canada from clause 3, which conjures up no role for Petro-Canada other than the simple fact that a senior official of Petro-Canada shall also be called upon to be a board member as set out in clause 3.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, for my part, I understand quite well the arguments put forth by the hon. member for Northumberland-Durham (Mr. Lawrence) to the effect that this amendment should have been moved in committee. Still, as custom would have it, it is possible to introduce amendments at this stage. We are dealing here with an amendment that would entrust to Petro-Canada, through the minister, the role of representative of Canada with the group that would eventually be appointed to supervise the distribution of oil so that all communities are better served.

I feel, therefore, that it would be wise for Petro-Canada, a Crown corporation, to have a mandate that differs from that of the other members. I have always claimed that when it comes to fighting for the interests of the multinationals, it is a bit like dealing with twin sisters, not like the Dionne quintuplets, but something like that. There were five of them at the time, and they got along just fine. Similarly, we would have a company representing Canada, in a position to keep the government and the minister advised on the way things are going, which would be given the required authority to do so efficiently. So, I feel that we should do so. That is how I see the situation, but the fact remains that the minister must have thought of it last week or in past weeks with his officials. He should not have waited till last weekend to introduce that motion amending Bill C-42. In any event, I have no objection to it whatsoever. I would even say that the bill should be amended in that way, precisely to better guarantee that the interests of all Canadian are protected.

● (1640)

[*English*]

Mr. Gillespie: Mr. Speaker, I should like to respond to your invitation to deal with some of these issues. The hon. member for Northumberland-Durham (Mr. Lawrence) talked about the structure of the International Energy Agency. He talked about the governing board of the agency. That board deals with a number of matters, not just emergency oil sharing arrangements. In this bill we are concerned with the emergen-

cy oil sharing arrangements, not with the research and development aspect or other questions.

Emergency oil sharing arrangements are handled by a senior committee called the standing committee on emergency questions. Attached to that body is an advisory group called the industry advisory board. A number of international companies are associated with this advisory board and Petro-Canada might be associated with this advisory side, the industry advisory board. But there is a second level down. That is the office of the International Energy Agency allocation co-ordinator. The position of allocation co-ordinator is presently held by the executive director in a dual capacity. His office is concerned with guiding the allocation process. He, too, depends upon advice from the industry, the industry supplies advisory group as it is called. It provides information, it is involved with the co-ordination of the actions of the various companies and it is composed of a selective group of almost exclusively international oil companies. It is advisory, as I say, to the co-ordinator.

The next group down is the International Energy Agency secretariat which is concerned with the implementation of the process. This, too, depends heavily on the international companies. It is concerned with receiving and providing information. It is concerned also with implementing the emergency arrangements through the international companies. As one considers the hierarchy of levels of committees one can see that the international companies play a very important part not just in terms of advice but in terms of implementing the allocation.

We are dealing, then, with international allocation arrangements made by the International Energy Agency. The bill before us is concerned with that process because the agency could trigger the actual proclamation of an emergency situation in Canada as provided in our treaty obligations. Once that happens, the process of allocation will have been determined outside Canada, before the oil gets to Canada, by the International Energy Agency. It will have been determined by the standing group on emergency questions with the advice of international companies. This is why I believe it is essential that we should designate Petro-Canada as a representative of Canada, or as one of the representatives, on this important body.

The question has been asked: Would this in some way go beyond the powers of Petro-Canada itself? I would refer you, Mr. Speaker, to section 3 of the act setting up Petro-Canada. Under the heading "Purposes of the Act" we find the following:

> The purpose of this act is to establish within the energy industries of Canada a Crown owned company with authority to explore for hydro-carbon deposits, to negotiate for and acquire petroleum and petroleum products from abroad, to assure a continuity of supply for the needs of Canada . . .

I believe Petro-Canada under the International Energy Agency would be doing precisely that—watching and guarding Canadian interests.

Hon. members will recall that it was not long ago that the Exxon Corporation diverted supplies in the order of 25,000 barrels a day of oil destined for Canada from Venezuela through that corporation's subsidiary, Imperial Oil. They were diverted despite the fact that Venezuela had stated it wanted them to go to Canada. An international company acted on that occasion against the wishes of the country of origin, Venezuela, and against the wishes of Canada. It is to protect ourselves against activity of that kind—international companies deciding things for their own purposes, not necessarily for the purposes of the system—that we need a watchdog. That is why we consider Petro-Canada to be so important.

We have witnessed increasing activity on the part of the International Energy Agency and international companies in this regard. Very recently the agency decided it would be important for us collectively to reduce world demand by two million barrels a day, roughly 5 per cent of consumption in the IEA countries, and once again the international agency will be depending upon the international companies. I repeat that this is why it is essential for Petro-Canada to be one of this country's designated participants at the top level of the allocation's process, where the allocation process starts. It starts with the international companies. Such participation is fully consistent with Petro-Canada's own act, as well as with the bill we have in front of us, and I hope a sense of urgency, which has not always been apparent on the other side of the House, will impel us to go forward without delay.

Mr. Speaker: Order, please. The argument is reduced, then, to this. If I accept the proposition that the introduction of Petro-Canada is the introduction of a new element into this bill or that by placing this clause in the bill we would, in effect, be amending the Petro-Canada statute, those aspects of the amendment which relate to Petro-Canada will have to be held to be out of order. On the other hand, if the functions of Petro-Canada are already sufficient under its own enabling statute to permit it to do what is proposed here, then I would have to find that the motions, on the face of them, are procedurally acceptable.

● (1650)

There is another difficulty which I have to face, and that is that there is a limited extent to which the Chair on procedural grounds ought to be inquiring into and interpreting other statutes. So if I am to make a finding in that regard, it is going to have to be a rather fundamental finding, not based on some opinion on the basis of the Petro-Canada statute but, rather, on the obvious face of the terms of reference of Petro-Canada.

Finally, I have to take this into account: If I strike the Petro-Canada provisions from the clause, what I would do is, having found that the international study or the international examination of oil supplies is in fact incidental to guaranteeing domestic supply in emergency situations—I have found that, and therefore I have found that the House ought to debate the clause regarding setting up this international study function of this board.

Then I go on to subclause (5) which says, and I think it quite in order, that the representation on the standing group on emergency questions within the International Energy Agency shall, if the emergency oil-sharing system provided for in the

agreement on an international energy program is activated, be under the direction of the Minister of Energy, Mines and Resources. If I were to find the Petro-Canada portion out of order, my inclination would be to stop the clause there, and then I examine it and indicate that, if I stop the clause there, it would seem to me that the purpose of the clause would be to leave it to the minister to appoint whomever he pleases, and obviously one of the appointments which would be open to the minister would be Petro-Canada. If that is the case, how can I then conclude, not on substantive grounds but on procedural grounds, that the undertaking to appoint Petro-Canada in the statute becomes procedurally unacceptable? It may be substantively so or matter of disagreement, but I have a little trouble there.

So those are the matters I will take into consideration. I do not believe the House will resume consideration of this matter until some time tomorrow afternoon. I presume that the great likelihood, since we are under an order to proceed to the housing bill at eight o'clock and there is every indication that that matter will need all the time through until ten o'clock to finalize it at third reading, is that the House will return to this matter only at three o'clock tomorrow afternoon. At that time I will endeavour to finalize this matter so that debate can go on in an orderly way.

With the permission of the House we could conveniently call it five o'clock now, if that is what is desired, and that would give me the opportunity to decide this matter before we go on.

Some hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Egmont (Mr. MacDonald)—Status of women—Alleged failure of government to provide equal opportunity for women in public service; the hon. member for Dartmouth-Halifax East (Mr. Forrestall)—Air transport—Settlement with union to avoid further deterioration of air safety; the hon. member for Athabasca (Mr. Yewchuk)—Health and Welfare—Health care of native peoples.

It being five o'clock, I believe the House is of the disposition to proceed to private members' business and to the motion standing in the name of the hon. member for Grenville-Carleton (Mr. Baker).

[Mr. Speaker.]

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

CANADA ELECTIONS ACT

AMENDMENT RESPECTING AIR CREW PROXY VOTING

On the order: Private Members' Public Bills:

October 30, 1978—Second reading and reference to the Standing Committee on Privileges and Elections of Bill C-260, An Act to amend the Canada Elections Act (air crew proxy voting).—*Mr. Forrestall.*

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I rise on a point of order. Before the House proceeds to the motion standing in the name of my House leader, I would like to ask Your Honour if I might withdraw a bill from the order paper, private member's Bill C-260, a bill to amend the Canada Elections Act dealing with air crew proxy voting. I neglected to do this after the matter had been included in amendments to the Canada Elections Act, and I now ask for the unanimous consent of the House to allow me to withdraw Bill C-260 from the order paper.

Mr. Speaker: Since the matter is in the possession of the House, the hon. member needs the consent of the House to withdraw his bill, which is Bill C-260 with respect to air crew proxy voting. Does the hon. member have the consent of the House to withdraw that bill?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

Order discharged and bill withdrawn.

PRIVATE MEMBERS' MOTIONS

[*English*]

HOUSE OF COMMONS

REQUESTED ADOPTION OF STANDING ORDERS THAT ENSURE FINANCIAL ACCOUNTABILITY OF GOVERNMENT

Mr. Walter Baker (Grenville-Carleton) moved:

That this House urges the adoption of Standing Orders which will ensure the government's accountability to the House of Commons for its management of Canada's finances.

He said: Mr. Speaker, I hope I did not give you heart failure as you were in the chair worrying that I might not be here. I certainly intended to be here today to deal with this important subject, one which has plagued parliaments and democratic governments in the free world. The matter to which I refer is the lack of control over public finance which seems to exist. When we consider what has happened in this country, we find that government spending has increased from about $11 billion in 1967 and 1968 to an estimated $53 billion in the next fiscal year. It is more and more difficult to obtain effective democratic supervision over such tremendous amounts of money,

and this situation, which is acknowledged everywhere, forces us as parliamentarians to ask some very serious questions about the effectiveness of our control over such spending.

Two important factors must be taken into account when discussing this particular problem. How do we create financial organization within the government itself? That is one question. Second, how can we create more effective methods of scrutiny and control in parliament?

The purpose of this motion is to deal with the latter portion, namely, control mechanisms within parliament itself. I respectfully submit that public expenditures should be presented in a form which will aid members in their critical assessment of public spending. Indeed, that is the reason members of parliament come here in the first place.

Canada is not the only country in the world which has had to face this situation. Let me mention two others as examples which show the directions which have been taken in dealing with this problem. In 1947 the United States Congress formed special budget committees in both the Senate and the House of Representatives. These committees study the President's budget and recommend changes in fiscal policy and spending priorities. The newly created congressional budget office provides technical support to both those committees. I do not have to outline to this House nor, particularly, to the Parliamentary Secretary to President of Treasury Board (Mr. Lefebvre) the difference between Canada and the United States in terms of fora, but it is interesting that this has been done.

Similar efforts to control public spending were established in the British parliament based on the 1969 recommendations of its procedure committee. First of all, in Great Britain the traditional supply estimates are accompanied by an annual white paper which gives parliament specific information on government plans for an immediate three-year period as well as provisional planning for a future period of two years. In other words, parliament has an advance look at the priorities of government in a way which we really do not have in this country. The second aspect is that the old estimates committee has been reorganized to form the newer expenditure committee in the British parliament. That committee is divided into five specialized subcommittees and one general subcommittee. This reconstituted committee takes a much more comprehensive approach to government spending and is better able to assess programs from a long-term policy basis than we are here.

In Canada we have taken some steps as well. In 1969 we established the standing committees of this House as an integral part of the operation of parliament to examine estimates, which are now referred to the standing committees rather than being dealt with in the committee of the whole.

I would be the last to advocate a wholesale return to dealing with estimates in the committee of the whole, although I would be prepared to deal with experiments from the point of view of some estimates from some departments. I know there is some agreement in that regard. Moreover, internally the government introduced the office of Comptroller General for Canada and expanded the resources available to the Auditor General himself. This has also aided the process of budgetary control.

● (1700)

However, with all those steps taken in the last little while—they have been significant steps—there are still strong misgivings in parliament about the ability of the ordinary member of parliament to monitor the financial management and accountability of the government. Parliamentary supervision is one of the cornerstones of our system, and with respect to giving more than lip service in terms of the size of the problem we have not proceeded very far. I suggest that we do not have in the House that kind of control or supervision mechanism that is envisaged by the motion. All the good will in the world will not help us in this task unless we are given the effective tools to utilize in carrying out the task.

In our parliament we need at present more detailed and understandable information on government spending, and that is admitted on all sides of the House. Second, we need a more effective parliamentary committee structure to help us assess the information and make responsible recommendations based on such parliamentary supervision. I use the word "responsible" because I think that gets us out of the field of instinctive reaction, and that reaction of parliament and parliamentarians to this should be based on sure knowledge.

The Auditor General has given a great deal of attention to these points. For example, he underlined in his last report the two main roles of the estimates as follows:

> One is to enable parliament to assess the government's proposed allocation of resources and the second is to establish the basics of future accountability by showing why funds are needed, what resources are needed and who is to be accountable.
>
> To improve the financial control, the following modifications are suggested:
>
> —reorganization of the presentation of estimates: a summary volume which shows how resources have been allocated and departmental volumes showing the planned performance of each department.

That was the first suggestion he made and it is a good one. He goes on to say:

> —More information in support of statutory appropriations.

Those are the payments that are made and funds which must be gathered to carry out the intentions of the laws passed by parliament.

> Such expenses now account for 60 per cent of the budget. We cannot have control without having more information about these expenses.

That is the second recommendation that he made and it is equally sound. Then he went on to say:

> —More information on Crown corporations. Parliament should be able to review their yearly activities.

Crown corporations have assumed a larger and larger role in our system. We can debate that role in individual cases, but they are there and parliament should be able to review their yearly activities in a way which we cannot do now. Finally, the Auditor General suggested that:

> —Parliament should have the same information as is available to the Treasury Board so that it can responsibly assess departmental programs.

I say, why not? If Treasury Board has certain information with respect to programs, why should parliament not have that kind of information?

These recommendations made by the Auditor General indicate the present inadequacy of the spending information parliament now receives. The Auditor General also suggests that, in addition to reporting on estimates and public accounts, parliamentary committees should simultaneously be asked to take into account the larger issues of government spending and program development. This is something that our present system does not allow us to do in the way we should do it and in the way the Auditor General felt parliament should have the power to do.

Many points can be made to indicate the problems of the present committee system in ensuring government accountability relating to public spending. These committees are not sufficiently specialized, they are perhaps too large and memberships rotate too often. I think that despite the work of the parliamentary staff and certain other staff, it is fair to say that specialized staff is lacking, the perception of the committee mandate is too narrow and, in the final analysis, the government's attitude towards estimates examination is negative. With respect to further information, I call the attention of the House to the fact that, notwithstanding that there has been a great number of promises, we are still waiting in the dying days of this parliament for a freedom of information act which would be a fundamental tool of parliament which would operate in this milieu.

With these points in mind, I will summarize a suggestion I made in 1976 to the Standing Committee on Procedure and Organization. I consider that it would contribute to parliamentary control of public finance and would put us in a better position to exercise our duty efficiently if we had a standing committee on policy expenditure and programs. Its terms of reference would be to consider the over-all spending priorities of government as well as to consider such estimates as the committee wished to examine on a long-term and extensive basis.

The purpose of this committee would be, in the life of an ordinary parliament, to go in depth into programs of individual departments of government and examine them on a long-term basis so that in a normal four or five year parliament we would be able to go through and examine a number of the important estimates, programs and directions that programs are taking to see whether they are relevant, whether they should be modified, or whether they are meeting the needs for which they were set up. This committee should have available the most complete information about the financial situation of each department and should have access to information which the Treasury Board would have. It would have extensive power, I suggest, with respect to the calling of witnesses. I think that this structure would enable parliament to do its job of monitoring the activities of government in a much more effective way.

There is a development occurring now within the government, that of program evaluation. It is in the state of infancy. The Comptroller General of Canada will have a large part to play in the development of that program. It is something that in terms of the public service is relatively new, and I believe that the internal work with respect to program evaluation could be augmented with respect to the consideration of that work in parliament by a committee structure that would be useful in bringing to parliament those matters which are important to the Auditor General.

I point out to my hon. friend the Parliamentary Secretary to President of Treasury Board that in a phrase from the Speech from the Throne which opened this session of parliament—and I am sure he will remind the House of that in his speech—it is indicated that such a program would be presented to parliament. We are now in the last stage of this parliament and the program has not been presented here. There have been some discussions—I have been part of them and they have been very helpful—but I think that although it is one thing to create this kind of program within the public service to evaluate the programs that are being carried on, the real nub of our program is to have in this parliament a structure by which the work of the evaluation, in terms of the objectives of policy, can be examined by parliamentarians on all sides of the House.

In my respectful submission to the House—and I hope it will be agreeable to members—I suggest that this motion should be passed so that there will be an expression by the House that it is not our desire here to unnecessarily hold up or obstruct the programs of government. It is merely our desire to balance the right of government to proceed with its programs with the right of parliament and the people to make the government accountable to parliament and to the people for the kinds of programs it brings forward. Also it is our desire to engage the attention of members of parliament in looking at the relevancy of programs in a country which is complex and in a society which is pluralistic. The bottom line of the operation of a democratic government is the accountability of that government. That is the purpose of this motion, and I hope it commends itself to the House.

● (1710)

Mr. Herbert: Mr. Speaker, would the hon. member for Grenville-Carleton (Mr. Baker) accept a question?

Mr. Baker (Grenville-Carleton): Yes, Mr. Speaker.

Mr. Herbert: This is private members' hour, but nevertheless the hon. member is the House leader for the official opposition. Therefore I assume he speaks with some knowledge of what his party wants to propose as a party platform. I would ask him if he has had discussions. The hon. member has made some interesting suggestions. What type of reaction did he receive from his party to the suggestion that his party would be prepared to incorporate these proposals, if it was in the unfortunate position of being the next government?

Mr. Baker (Grenville-Carleton): Mr. Speaker, I think the hon. member's question is quite relevant. I speak in the House as a private member, but these matters were put by me as House leader of my party to the Standing Committee on Procedure and Organization in September 1976 as part of the

program of my party to open parliament and return it to the people.

I commend to the hon. member an article written by the hon. Leader of the Opposition (Mr. Clark) which appeared in *The Parliamentarian*, a magazine to which we have access that deals with parliamentary problems. The hon. member will see that the Leader of the Opposition alluded in the article to this kind of change. The answer to the question is yes.

Mr. Thomas H. Lefebvre (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, it is a very interesting motion which has been brought forth this afternoon by the hon. member for Grenville-Carleton (Mr. Baker). I for one welcome the opportunity to speak on it. I would like to take this time to remind all hon. members of a number of significant changes and initiatives taken by the government to demonstrate its concern with establishing an appropriate accountability framework in the management of government programs.

One of these initiatives was the establishment of the royal commission on financial management and accountability on November 22, 1976. The chairman of this commission, Mr. Allen T. Lambert, said the following:

> One of the overriding objectives of the final report which the commission plans to submit . . . is to establish within the government a workable framework of accountability and control for individual departments and agencies in the management of their affairs, and to strengthen the system of accountability by the government to parliament.

The formation of the royal commission was an acknowledgement by the government that with the growing size and complexity of government today, not only in Canada but in all progressive democratic countries, there is a need to re-examine the means of accountability by the government to parliament.

The commission focused its attention on three main subjects: the role of cabinet and central agencies such as the Treasury Board secretariat and Privy Council Office in establishing priorities, allocating resources and maintaining broad control over individual departments and agencies; the role of the deputy head and the management of departments, and the system of accountability to the minister, the executive, the central organizations and parliament; and the system of direction, control and accountability of Crown agencies.

In the interim report of the royal commission published in November, 1977 some interesting questions were posed. For example, in the present day context can the minister alone continue to be held accountable to parliament for every aspect of the administrative performance of the department or Crown agency? This challenges the fundamental doctrine of ministerial responsibility. What information is necessary to enable parliament to carry out its role as protector of the public purse? Could the performance of parliamentary committees involved in the surveillance of government spending be made more effective? Should there be other means for conducting parliamentary review of the performance of departments and Crown agencies, apart from the consideration of the estimates and the public accounts?

Financial Accountability

The progress report of the royal commission directed its attention to the elusive meaning of the word "accountability". It indicated how it could be effective when the commission reported the following:

> In its simplest terms, to be accountable means to be liable to be called to account for an accepted responsibility, but this definition is not practical unless it is extended to include a judgment upon the performance of that responsibility. Thus, meaningful accountability requires that there be:
>
> —procedures for setting objectives and goals and assigning responsibility to achieve results;
>
> —a reporting system or systems that provide information on the progress made toward the achievement of goals;
>
> —a review of the reported results with the purpose of evaluating performance.

In effect, the commission suggested that there are two accountability frameworks which underpin democratic and responsible government. It indicated:

> These are the way in which parliament holds the executive to account for the conduct of its administration of government and the way in which the executive in turn holds the senior managers of the public service and Crown agencies to account for their administration.

The government recognized the dual framework, and that is why it has continued to meet the challenge on two fronts: improving the management ability of public servants, and providing better disclosure of the spending plans and program results through the estimates and public accounts. Furthermore, major improvements in the parliamentary process have been made through such bodies as the Standing Committee on Miscellaneous Estimates and special committees to examine specific matters.

Another initiative taken by the government to demonstrate its concern with accountability was its examination of direction, control and accountability of Crown corporations. As You Honour is aware, a blue paper was produced on this subject in 1977. The paper examined such difficult questions as to what extent Crown corporations should be used as instruments of public policy when the pursuit of policy objectives may detract from the financial performance of such corporations. Also it examined how increased responsiveness to public policy can be reconciled with the arm's length relationship which in theory a public enterprise requires government ministers and parliament to maintain with Crown corporations. The paper was published to encourage public discussion and comment prior to the introduction of a Crown corporations bill in parliament.

On the general subject of accountability I should like to draw Your Honour's attention to the new Auditor General Act passed by the House of Commons on June 29, 1977, and subsequently passed without amendment by the Senate. A key change in the scope of the responsibilities of the Auditor General is contained in section 7(2) of the act. It reads as follows:

> Each report of the Auditor General . . . shall call attention to anything that he considers to be of significance and of a nature that should be brought to the attention of the House of Commons, including any cases in which he has observed that . . . money has been expended without due regard to economy or efficiency; or satisfactory procedures have not been established to measure and report the effectiveness of programs, where such procedures could appropriately and reasonably by implemented.

Financial Accountability

As all hon. members are aware from reading the Auditor General's report for the fiscal year ended March 31, 1978, in exercising his new mandate the Auditor General has focused on procedures in cost effectiveness and value for money. Also his report contained suggested models for improving the information display of departmental estimates. These models will be taken into account in the joint Treasury Board/Comptroller General study of the form of the estimates which now is under way. Extensive discussions have taken place on this subject with the public accounts committee and with witnesses from the Treasury Board secretariat, the Comptroller General's office and the office of the Auditor General.

● (1720)

The government is continuously searching for improvements. It has established its own internal monitoring function to ensure that there will be sound management and control within the over-all government accountability framework. I am speaking, of course, of the establishment of the office of the Comptroller General and the appointment of Mr. Harry Rogers as Comptroller General. Mr. Rogers' appointment was announced in February of last year by the Prime Minister (Mr. Trudeau) and he began his new duties on April 2, one year ago.

Mr. Baker (Grenville-Carleton): Supported by all parties.

Mr. Lefebvre: Yes, supported by all parties. The Comptroller General's responsibilities include financial administration policy as it affects departments and agencies of the government, the form of the accounts of Canada, the form and the content of the government's financial statements, including those of its departments and agencies. His responsibilities include also the methods and procedures of control that are followed by departments and agencies, including budgetary methods and budgetary control systems, functional responsibilities for financial organizations, departments and agencies, the professional development of financial officers, and all related areas of financial management and control.

In addition, the Comptroller General has two other major responsibilities in improving management and control, namely, performance measurements and program evaluation. It is through these two major tools that accountability can be explicitly stated. The Treasury Board policy on performance measurement was issued in 1976, and its policy on program eveluation followed in 1977.

The government recognizes in the face of a long-term period of restraint that major new policy decisions and programs will need to be financed out of existing programs. Organizational skills must shift from planning and implementing to managing and controlling. In this connection, the federal government has endorsed three key management objectives: first, improving economy in the acquisition of assets; second, improving efficiency in their use and in the administration of program expenditures; and third, improving the effectiveness of government programs in achieving their objectives. These objectives complement the objectives of maintaining high standards of financial prudence and probity in the conduct of the government's financial affairs.

In addition to the work of the Comptroller General in bringing about needed improvements, a series of seminars has been given to enable deputy ministers and other senior officials to gain a better appreciation of the financial management process. The emphasis of the seminars is on senior officers' responsibilities in this important domain.

Therefore, it will be clear to this House that there is already a climate of good will both in the government and in the public service to continue our best efforts in establishing the most appropriate system of accountability in the management of this government's financial affairs.

Before closing, I should like to underline and once again bring to the attention of hon. members of this House the work now going on in the public accounts committee. For the past several weeks, with meetings and briefings, many times a week, this committee is and has been gathering ideas and suggestions from its members, with constant assistance from the Auditor General and his highly qualified staff, the Treasury Board secretariat represented by Mr. Larry O'Toole, and the Comptroller General of Canada, in order to put together what we of the committee feel will be a very important report to this House on what we believe should be included in the future form of the estimates.

The Auditor General has mentioned more than once that this working group, as he refers to it, is a fantastic breakthrough and a major step forward toward financial accountability and control. This study by the public accounts committee has been an example of co-operation by members of parliament from the official opposition—one of its members chairs the committee—and members from the government side, as well as from Treasury Board, the office of the Comptroller General and the Auditor General. Members hope that some of their recommendations will be evident in the estimates to be tabled next year and each year following until an almost new form of estimates is published, in order that they may become more comprehensive and useful to everyone concerned.

I feel confident that enough data is on the record of this committee's proceedings to ensure that there will definitely be a continual change for the better in the estimates, and when I say "better", I mean better for the parliament of Canada, the public of Canada, the public service and, of course, the Government of Canada.

The committee has not been able to arrive at a final consensus yet, especially on how the estimates should be handled by the House and its committees. It may be that this subject will be part of a study by the Standing Committee on Procedure and Organization. I am sure I speak for all hon. members of the committee when I say that it has done a great many weeks of very intensive and hard work. I am sure the evidence of this work will be seen in the form of the estimates. If the committee can accomplish its work I hope that a report can be tabled in this House at this stage which will indicate what that committee has accomplished.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I should like to congratulate the hon. member for Grenville-Carleton (Mr. Baker) for bringing this motion on today, particularly as he is the House leader of the Conservative party and may have some role to play in the next government. If that is the case I look forward to holding him to fulfilling some of the recommendations he has made.

I think it is safe to say that, as far as members of parliament are concerned, expenditures of government are totally beyond control in any way, shape or form. I listened with great interest when the parliamentary secretary indicated what the government intends to do. The government is always going to do something and it always has done something. It has carried out a great many studies and it has always had a great deal of input from civil service and other interested individuals and groups; but the situation has continually worsened.

When I first came here total government expenditures amounted to about $10 billion or $15 billion. I doubt if they were much higher than that. Today total expenditures have increased to $52 billion. Since the beginning of this parliament expenditures have more than doubled, having jumped from $23 billion to $52 billion. We were not able to handle expenditures very well when they amounted in total to $10 billion or $15 billion, and today we cannot handle them at all.

It must shock new members, as it must shock any thinking Canadian, that we are coming to the end of the month when we will pass those expenditures amounting to $52 billion without knowing what 90 per cent of the expenditures are, let alone whether they are needed. It is all right for us to say that the Auditor General is able to look into them on our behalf. I congratulate the auditor generals we have had for the work they have done. They have found horses on the payroll and a number of other major sensational abuses. I think there are about ten or 12 such sensational abuses each year. I would ask what members of parliament have been able to do about these abuses, the ten or 12 sensational ones that hit the headlines each year. I suggest they have been able to do absolutely nothing.

I suggest there is absolutely no machinery in place by which members of parliament can do anything about such abuses. We have a Comptroller General who may keep a few civil servants honest, and who may have been able in some way to control the manner in which some expenditures are made.

When listening to the parliamentary secretary a few minutes ago I was interested to hear him say the government is going to promote efficiencies and general control over the expenditures of the Treasury Board and the BED ministers. This government has decentralized, that is what it has done. For instance, it took the Department of Veterans Affairs to that minister's riding in Prince Edward Island, about as far away from the government as you can get. If this government stays in office for another five years we will probably have to go through another country to get there.

• (1730)

What have we done about buying pencils, for example? I often wonder what the Comptroller General and the BED ministers think about this if it is not in their ridings—we are buying pencils in Matane, for instance. The Department of Supply and Services increased its purchases tenfold in that area. That is not what I understand as efficiency. To be efficient you buy in bulk; you do not make purchases in every minister's riding. Can we control that sort of thing in the estimates? Are we in a position to do anything about those matters? The patronage exercised by this government is rampant. We do not know the levels where it exists. Patronage certainly is not efficiency. It is where somebody who cannot be elected to government or somebody who is related to someone who cannot be elected, is put in a responsible position where they do irresponsible things. That is surely not an economy.

One of the reasons I hope there is a change in government is that something might be done about some of these problems and not just more committees set up. The hon. member for Grenville-Carleton (Mr. Baker) says we do not want to go back to the days of committee of the whole. I think we could gain something by going back to that. We might have to limit the time or, as they do in other countries, set three months aside for it.

Mr. Baker (Grenville-Carleton): I left the possibility open.

Mr. Peters: I realize the hon. member left the possibility open. I know the reason he did not do more than leave it open is because he may be responsible for some department and does not want to have to bribe people like the member from Timiskaming (Mr. Peters) to get his estimates through. That may be an abuse, and I take full credit for it.

Mr. Francis: Surely that is not bribery.

Mr. Peters: It is a parliamentary arrangement. If I get a bridge, the minister gets his estimates, or if I get a concession in something, he gets—the hon. member for Ottawa West (Mr. Francis) has been doing that ever since he came here. His vocabulary may be larger than mine, and he may call it something with a more fancy name.

Mr. Francis: Mr. Speaker, I would ask the hon. member to give consideration to what he has said. The allegation that I have somehow received improper rewards for my constituency in turn for holding up or allowing passage of estimates is uncalled for, I think.

Mr. Peters: Mr. Speaker, I certainly did not imply that the hon. member got unfortunate rewards. He got very good rewards. He has got the rewards he is sent to get and which he believes in.

An hon. Member: Withdraw.

Mr. Peters: I do not see what I have to withdraw. I am giving the hon. member full credit for having done this. Let me give an example. I have heard him many times on the question

of veterans affairs, and when he won a point after considerable effort I thought it was a good reward for his people. I am sure he did not do it for other reasons. I hope hon. members will agree that I did not do it for other than a good reward on behalf of my constituents.

I sympathize with the member who interjected. He has not been here long enough to remember when we really had some control over estimates. When we had control over estimates, using the time factor, many amendments were made. How many members can say today that they are able to change anything in the estimates when they are brought before parliament by civil servants? The government does not really understand what is going on. In many cases I am sure the estimates make provision for civil servants operating in concerns of branches of departments that the government does not know exist, and which are self-perpetuating.

It is not going to be easy to supervise the expenditures of parliament. It is not easy in other countries either. It is not easy to control statutory expenditures. We pass a piece of legislation and in perpetuity provide gratuities to agencies that are never questioned. I am sure that if some of them kept very quiet and did not rock the boat, did not start muck-raking or department building, they would find themselves in no difficulty unless they asked for additional statutory expenditure. I am sure the same thing is true of Crown corporations. We really never supervise them. I agree with the parliamentary secretary who says that we probably have to keep at arm's length from them because, if we do not, they would only be departments of government. But we must examine their costs and the direction they are taking.

The charge has often been made that a Crown corporation cannot use money efficiently. The Canadian National Railways is a good example. It is a wonderful organization now because it is making money. The thing is, it always made money but we charged so much of the debt to it that was incurred 50 or 100 years ago that the interest was never paid off, let alone the debt. Now that the debt has been written off we are no longer in the difficulty.

The Canadian Pacific Railway was the only beneficiary of that bad accounting system. When we could show that CN was in debt we could always work out the railroad tariff on the basis that it was not making any money and, because of that, CPR got the benefit of all the subsidization that had to go into making the CN a viable operation.

Recently in the news, Canadian Pacific was screaming about the fact that Air Canada, a Crown corporation, was cutting air fares to a degree that would bankrupt Canadian Pacific Air as they do not have the lucrative lines Air Canada has. Several years ago Air Canada was only a stepchild of the Canadian National Railways and their debt structure was tied to it. Now that we have established Air Canada independently it is a very successful corporation. Maybe most of our Crown corporations would be financially sound if we set up the right kind of structure for proper accounting so that members of parliament would know whether they were operating efficiently and serving a need. The machinery is now in place for us to examine that.

I am not sympathetic with the way the government has handled this problem. All it has done in the last eight or ten years is create more Crown corporations, and establish more controls and committees. It has a committee or royal commission or something to handle every problem that parliament should face itself. If we faced them we would at least know what we are trying to accomplish, rather than establishing all these backroom controls, with the proliferation of civil servants, patronage, and decentralization. Decentralization only seems to satisfy those ministers whose areas are affected.

In my opinion, this government is not efficient. It is not prepared to provide members of parliament with information on which to base reasonable decisions. How many members really understand why the government is able to take money out of the treasury, or borrow at a rate of 12 or 13 per cent in order to stabilize the Canadian dollar? When the Conservatives tried to do that with huge expenditures they were able to stabilize it within about two cents of what it would normally have been. And yet we are allowing the government to make those huge expenditures in the billions of dollars. This is money borrowed which we will probably never be able to pay off in our lifetime. This will saddle our children and their children with a debt for absolutely no purpose.

● (1740)

If the government really wants to do something about stabilizing the dollar, why not peg it? This dirty float is a totally dishonest way of calculating expenditures because there is no statutory control. There is certainly no way in which members of parliament can do anything, except through the public accounts committee. This committee looks at bad debts after they are incurred and wonders how in hell we got them and for what. It has nothing to do with controlling expenditures. In addition, it does not teach us very much because civil servants have a new word for control. The next time they try something else again.

We have set up all kinds of commissions to decide how to make the expenditures of the nation more controllable. In the final analysis we do not need to delegate control over the expenditures of our nation. That is the responsibility of elected members of parliament. This should be exercised in the House of Commons and it should be carried out on the basis of every bit of the information the government has used in making its decisions. If the government makes bad decisions, if it makes them on the basis of poor information, and says that it had done the best possible, members of parliament should be able to look at the information that is available and decide whether the expenditure is justified and whether the information being provided is sufficient. Then they should be able to do something about it.

This government has abused its majority. It has abused its majority every time it has had one. The only time we have had good government in Canada since I have been a member of parliament is when we had a minority government. Why, Mr.

Speaker? Because in the final analysis all members of parliament look at the problems for themselves, decide whether there is a good or bad solution, and vote accordingly. Each member looks at the question and makes a decision. With a majority government, all they do is stand up and say, "Are you ready to receive my assistance for the next election, and God willing, I will be elected." They have decided nothing on their own. The decision is made as a block because they have a majority in parliament. No one can stand up and say they are honestly interested in allowing parliament to control expenditures.

I would like to mention the blue book. When I first came here one could look in the blue book, which contains the estimates of the expenditures for the forthcoming year. This book is not much thicker now, but it has certainly become a lot less useful. What is written in under the headings of each department? It is propaganda. It describes what the government proposes to do in that department and what it hopes to accomplish. Who cares? We are supposed to be looking at the expenditures in the departments and deciding if we think they will be able to do whatever they want to accomplish. We bloody well can't do that with the estimates we have.

At one time there was a list of all these high-falutin' people who got more than $20,000. Now the ones getting more than $50,000 are not listed nor are the ones getting more than $75,000. No matter how high the salary goes these people are not listed any more. At one time we were able to look at this list.

When I used to look through these lists the high-paid ones were usually alcoholics or something else. These were people who were stuck into a corner in a department where they did not have to do anything.

I made a complaint about something that happened in a department. I was told not to go to the director because he had a bunch of toy trains in his desk and all he did was play with toy trains. I am sure many members here know who that is. There was another one we referred to; we found out that his secretary put him back in his chair 37 times in one month.

At one time we were able to phone a department for information. There was none of this "b.s." that you get from Manpower today. The five top people in these departments, without exception, are at meetings every day. It is not possible to get those people unless someone is conscientious and stays after four o'clock because the rest of the time they are at meetings. There are even meetings that last all day. We know this goes on, and when we look at the book and cannot find out who the director is or get information on expenditures, it is very sad. The only thing that is brought up to date is the telephone book, and that is changed every four months. That is probably not more than eight months out of whack.

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. member that his allotted time has expired.

Mr. Herbert: Mr. Speaker, I rise on a point of order. The speaker who has just sat down used two initials to represent two words which were ruled last week as being unparliamentary. I would like to know whether we can get away with using the initials instead of the full words.

The Acting Speaker (Mr. Turner): I will check the record and make a decision later.

Mr. Lloyd Francis (Ottawa West): Mr. Speaker, the motion before us urges the adoption of Standing Orders which will ensure the government's accountability to the House of Commons for its management of Canada's finances.

The entire thrust of the motion is in terms of the rules and procedures of this House on the assumption that if we behave in a different way or follow a different or modified set of Standing Orders we can achieve that great goal of accountability to which all parliamentarians aspire.

The Auditor General, and the hon. member for Pontiac (Mr. Lefebvre), have pointed out very well, that there cannot be any accountability unless we resolve the very basic problem with the kind of information we are going to have. I suggest that while there is a structural problem, members of this House who are really concerned about accountability take on a chore, and it is a chore, of attending the Public Accounts Committee and reading the documents. The documents are lengthy and they are not always easily understood. The people who are working with the Auditor General are attempting to provide parliament with the tools parliament needs if it is ever to manage properly the funds it votes.

The government has supported the Auditor General and given him the necessary resources. By his own admission there has never been a question or any shortcoming in terms of his budget or the specialized manpower required to do a job to the extent to which it was required. I believe there has never been a more qualified group of management consultants and technical experts assembled in Canada than has been assembled by the present Auditor General in an honest effort to come to grips with some very fundamental problems.

Basically with regard to every government department there are three sets of documents which have to be examined. There are estimates on the basis of which parliament votes supply. This is the mechanism by which the resources for the fiscal period anticipated are described and allocated. There are the public accounts which are the story of what has happened, the story of how the money was spent. In nearly every case there is a departmental report, frequently in narrative form, with appendices at the end, from the estimates or from the public accounts. But the Auditor General has documented chapter and verse of cases where one cannot go from one to another in a logical and consistent way. The form, breakdown and content are really quite incomprehensible in the way in which they are placed before us as parliamentarians and the nation at large.

● (1750)

As the hon. member for Grenville-Carleton (Mr. Baker) indicated, he has pointed out the deficiencies in the consistency of treatment of the estimates. If you cannot go back and forth from one to the other, you are lost before you start. The

Auditor General pointed out that matters relating to statutory votes are frequently not even in the estimates. They are not even provided. Something like $20 billion of that $50 billion is statutory.

He pointed out again that when he examined the Crown corporations in great detail, he found a great difference in range. Some Crown corporations were doing a good job of setting out their accounts in a form which was understandable, but a large number were not.

We are now having Treasury Board undertake a major revision of the Financial Administration Act and the schedules by which the Crown corporations are to be classified. We have been given illustrated models of the way in which it would have been possible for the St. Lawrence Seaway Authority to present its estimates. This would have been in a form that is comprehensible, one which would have permitted parliament to make a rational examination of the priorities assigned to that Crown corporation, how its plans related to what had been done the previous two years, and what is anticipated two years ahead.

Those of us who had the opportunity of looking at what might have been the way in which the information was presented were struck by what we saw and heard. It is quite clear that this is the direction in which we must go. The question of how the estimates are to be prepared in a form by which parliament can properly use them is a very fundamental question. Traditionally, the estimates have been the tool of Treasury Board, and one branch of Treasury Board by which they allocated resources.

In a recent period of restraint, cabinet ministers were called in and told to chop $100 million here, $200 million there, and that they must stay within these over-all limits. The estimates were looked upon by Treasury Board in a proprietary way.

When Treasury Board was told by the Auditor General that the form of the estimates may have been good enough for resource allocation but was not good enough for accountability to parliament, the Public Accounts Committee had to break ground. It was very interesting to see. I regret that the hon. member for Capilano (Mr. Huntington) is not here. For his work as chairman of the Public Accounts Committee, I want to pay him tribute in this place. I believe he has done a good job.

Some hon. Members: Hear, hear!

Mr. Francis: Those of us who have understood what the Auditor General was trying to do worked in a non-partisan way. My colleague from Pontiac is one of them. We say the Comptroller General has an interest in the estimates because he cannot really be sure that the proper financial control procedures are in place unless the estimates are in such a way that he can use and understand them. We say that members of parliament have been interested in those estimates. We say that the public accounts—

The Acting Speaker (Mr. Turner): Order, please. The hour provided for the consideration of private members' business having expired, I do now leave the chair till eight o'clock p.m.

At six o'clock the House took recess.

• (2000)

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

NATIONAL HOUSING ACT

MEASURE TO AMEND

Hon. André Ouellet (Minister of Public Works and Minister of State for Urban Affairs) moved that Bill C-29, to amend the National Housing Act and the Central Mortgage and Housing Corporation Act and to make other related amendments, be read the third time and do pass.

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

Mr. Bob Rae (Broadview): Mr. Speaker, in my final speech on third reading I wish to direct attention to certain matters which have been neglected in the course of our deliberations, or which have not been emphasized with sufficient force.

The announcement the minister made last May has had a disastrous affect not only upon the co-operative housing program but upon the neighbourhood improvement program as well as upon projects envisaged by cities, towns, and municipalities across the country. Great uncertainty was created by that announcement. The minister admitted that the central government would be backing away from previous commitments and policies.

It is worth recalling that in 1968 the then minister of housing, Mr. Hellyer, was supposed to devise a new housing and urban policy for Canada. That urban policy and that housing policy involved the federal government. It took him some time, and he switched parties before anything was done, but the thrust of that policy was that the federal government had a role to play in the solution of the urban problems of Canadians. It had a role to play in planning and the assembly of land in order to prevent speculation. It had a role to play in the designation of certain areas in the cores of our cities—improvement areas—in order to get at the problems of poverty and the physical decline of the centres of our cities as well as lack of opportunity for many of our people. That was the thrust and direction of the policy, which was expanded during the minority government of 1972 to 1974.

With the co-operation of the New Democratic Party the Liberal party at that time was prepared to bring in income supplements for many Canadians. It was prepared to bring in programs to provide funding for some co-operative housing, and it recognized for the first time the principle of non-profit ownership in the development of our housing policy. If those were the days of the new liberalism, we are now in the final dying days—and I say this despite the defection of the hon. member for Cochrane (Mr. Stewart)—of the new conservatism.

● (2010)

If the hon. member for Cochrane sees the Liberal party as moving to the left, the only conclusion there can be is that he is suffering from political dyslexia because what I see is precisely the opposite movement. I see a movement to the right. The federal government is saying to the cities that it cannot get involved any more. It is saying to our co-operative institutions that it is not prepared to fund them any longer. It is saying to urban Canadians that if they have problems they will have to direct them to the provincial governments. This is the standard of leadership we can now expect from the Liberal government.

This motley collection of amendments which we have attempted to improve, and which to some extent we have succeeded in improving, is the end result of this policy, this hodge-podge, this attempt at some kind of appeasement of what the Liberal party sees as a conservative mood amongst the voters of Canada.

What does this bill do? It amounts to a full-fledged retreat by the federal government from the solution of our housing and urban development problems. It amounts to a full-fledged retreat, and when the time comes to look at the role of the federal government, I hope the voters of Canada will see that the federal government has put its toes in the water, with respect to trying to solve some of our problems, quickly decided to pull its feet back and daintily returned to the comfortable beaches of the new conservatism. That is precisely the direction in which this government is headed. It is headed, not toward the political left as my colleague, the hon. member for Cochrane, stated last week, but toward the political right.

These amendments are the direct result of a shift on the part of the Minister of State for Urban Affairs (Mr. Ouellet). Now we have the government becoming a banker. It is not the Central Mortgage and Housing Corporation any more. It is the central insurance and banking corporation because the federal government will no longer be directly involved in housing. The government has said it will not get involved, that it will leave housing up to the private sector and that it will assume that trust companies, lending companies and banks will play the role, in terms of innovative social policy, the government was supposed to start playing from 1972 to 1974. We on this side know that that is not exactly what is going to happen, and the time will come once again—I foresee it readily—when whatever party forms the government of this country it will have to recognize that the urban and housing needs of Canadians will have to be met directly by means of government intervention. That intervention will come at the federal level as well as the provincial level. Both levels will have to work co-operatively, recognizing that they both have roles to play in meeting the social needs of their citizens. We know that will happen again because a need will have to be met, and that need simply has not been met by the policies of the current government.

The new Jerusalem was announced by the minister in May. Unfortunately, it took eight or nine months before the legislation was brought before the House, so the governments of the cities and towns of this country, the real governments for most of our citizens, the governments to which they look first, did not know where to turn. That is the housing crisis the minister has not recognized. It is a crisis created by the minister's own inability and the cabinet's own inability to decide what to do.

Today the Minister of Consumer and Corporate Affairs (Mr. Allmand) talked about the benefit of his policy of encouraging no-name products in the consumer field. We have no-name products for cabinet ministers today because the average Canadian does not know who is in the cabinet. Cabinet ministers cannot make up their minds about what social policies to bring before the people of Canada. The crisis created by this government is such that communities and municipalities are crying out for federal government policies. They are crying out for money to build recreational facilities, to build sewage facilities, and to deal with the urgent problems they face because they do not have capital to deal with construction problems.

The minister forced us into agreeing to put these amendments through quickly, but a condition was that he recognize that we also had amendments and ideas to be considered. What we got was not the best, because we would have much preferred to be able to bring before the committee of this House which deals with housing, representatives of the Canadian Council on Social Development, the Canadian Welfare Council, national poverty organizations, provincial organizations, co-operative housing organizations, and the private lending institutions which are going to fill the gap. I would like to have heard precisely what plans they had for replacing the vacuum which has been created by the policies the Liberal party adopted from the Conservative party. Instead, we were forced into a position where we had to accept in the committee of the whole at very short notice a series of amendments which three parties in this House agreed would be necessary to get the kind of consent required to get the measures through quickly.

If we look at the level of funding which is being provided, the bottom line, the dollars and cents which are going into these programs—the Residential Rehabilitation Assistance Program and the Community Services Grants Program—the level of funding is down. This government is masquerading a series of amendments as being progressive and as amounting to a positive policy, when what they amount to are an excuse for cutbacks. The minister knows this. Mr. Hession certainly knows it because he has written to the minister about it. The minister said that RRAP is going to be made universal. Well,

264 times nothing is still nothing, and that is what we have been left with, 264 ridings with practically no money for residential rehabilitation.

The Community Services Grants Program replaces ten programs with three, and that means that the level of funding will not be adequate. As I said many times in the committee, we will not get the funding which is needed for community development or for recreational facilities, and all the money which goes to the provinces will be used for the hardware of urban development.

I am not saying that hardware is not important; it is vital. People need to have the kind of sewage treatment which is fundamental to healthy living. I recognize that, and my party recognizes it. But we do not accept what the minister is saying when he says that all our urban needs will now be satisfied by the money which is being provided to the provinces, when we know that the level of funding under community service grants is far lower than it was under all the old programs under which the cities, towns and municipalities would go to the federal and provincial governments and attempt as best they could to barter their future needs. So we reject the approach of the Liberal government, we reject the cutbacks, we reject the $350 million diminution in the CMHC. You can call it the Central Mortgage and Housing Corporation or you can all it anything you wish, you can masquerade it, tart it up any way you want, but it amounts to the same old charade, and that is more grandiose programs with less money to fund them, which means that the urban needs of our communities will not be met.

● (2020)

I say to you tonight, Mr. Speaker, that the way in which the government has presented these programs has been irresponsible. Ministers have put themselves in a position where they have had to force the House to consider these proposals hastily because they have created a need in the municipalities which was not there until they cut off their program and until they engaged in this so-called avenue of cutbacks and decreased the expenditure as a result of the miraculous conversion which the Prime Minister (Mr. Trudeau) has suffered following his trip to Bonn in the summer of 1978. We in our party have attempted to bring forward amendments which would have a constructive effect. We have attempted to say: Let us put a damper on this lemming-like rush toward cutbacks and let us try to provide something for our cities, let us give them the leeway to assemble land and to provide affordable housing, let alone the non-profit motive to work; let us put the co-operative motive to work.

Well, it is an odd assembly of events that has brought us here tonight. We have a housing crisis in Canada and we have the government's amendments, and the two have absolutely nothing to do with each other. The government's amendments are brought about as a result of its determination to cut back on government spending, nothing more or less than that, and the housing crisis in Canada is created today by the fact that we have had an inflation in housing prices which has gone on for the past ten years and with which the government has been incapable of dealing, and we have an inflation in the cost of money which the government has deliberately created by government policy.

We say it is high time the people of Canada were given the opportunity in a free election to decide what they want to do about that crisis. Do they want to adopt the policy of the government which is to let things ride as they are, in the hope that the best will work out and for the Minister of Public Works and Minister of State for Urban Affairs to present a striptease to the Canadian public saying, "If you are good boys and girls, maybe in two or three years we will give you a tax credit"? Is that what the people of Canada want? No. On the other hand, we can take the policies of the Conservative party—

Mrs. Pigott: No, you cannot take them.

Mr. Rae: You can keep them.

Mrs. Pigott: Saskatchewan wants them.

Mr. Rae: What do those policies say? They say that in order to get a tax benefit in our society, you have to own a house.

Mr. Baker (Grenville-Carleton): You have to want to own one.

Mr. Rae: That is not so, Mr. Speaker. You are sacrificing the present demands of the Canadian public for a tax cut on the altar of some future event which may or may not take place, that is, the buying of a house. We on this side of the House say that if you want to deal with the problem of the cost of money, you should deal with it directly instead of pussyfooting around the side of the problem and trying to make it palatable. You do not make high interest rates palatable; you get the high interest rates down. And if you want to deal with the cost of land, you start controlling the cost of land by getting at speculation which has more than doubled the cost of land in surburban areas of our major centres in the past five years, which has meant that many Canadians have become millionaires as a result of a pure hazard, that hazard being whether or not they happen to own acres of land.

We in our party say: provide tax relief but provide it for all Canadians, do not make it selective and do not make it depend on whether or not you own a house. There are senior citizens in apartments and there are senior citizens in homes. They both deserve a tax break. Do not be discriminatory and prejudicial; deal with all the people of Canada fairly. We say: if you want to get at the cost of money, do it directly; do not pussyfoot around the side of the problem. If you want to deal with the cost of land, deal with it directly; do not pussyfoot around the edge of the problem; get at the root of the problem, which is speculation and monopoly conditions in the ownership of land. Those are the problems that you face in the country. They have nothing to do with the amendments brought forward by the minister with respect to these problems.

There will be many opportunities in the coming months for us to discuss, on various platforms and in various ways, the programs of our party. I have said many times before in the House, particularly in this debate, that the people of Canada will decide who has the right approach, who are talking out of both sides of their mouths, and who is promising the world and delivering nothing. But it is important to recognize—I have said this before—that promising benefits to Canadians will not make it easier for a single Canadian to buy a house. Buying votes or renting votes, as seems to be the propensity of the Liberal government, promising something and taking it away six months later, will not buy a single vote and will not buy a single home, and it is time the people recognized it.

This bill does not deal with the housing crisis, nor is it intended to deal with it. The fact that it and the housing crisis have come up at the same time is simply the result of the government's inactivity and incompetence.

We have attempted to improve the bill as a result of our amendments in committee, and I pay respect to the minister of State for Urban Affairs and to my colleague, the hon. member for Ottawa-Carleton (Mrs. Pigott), for having taken the time to try to work constructively with me and with representatives of other parties in an attempt to get a better bill. We have a better bill now than we had before, but I suggest it would not be very difficult.

The housing problems of Canadians are serious, and the affordability problems are serious because there are far too many Canadians who cannot afford to buy a house and there are far too many Canadians who are paying too much for their shelter needs. These needs will not disappear, and this bill will do absolutely nothing to solve the problems. That is the approach that I have taken to this legislation from the time it was announced in November and December to the time we discussed it on second reading, to the time we went through it in committee, and now, and that will be the approach we will be taking in the months to come.

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, I would like to commend my colleagues in the House for the excellence of this debate. I believe that some very constructive things have been offered, and I am sure the minister is paying rapt attention to them.

Areas of poor housing are a reality, as are unemployment and poverty, unchallenged workers and under-educated people and poor living conditions. Disillusioned youth and senior citizens waiting out their golden years in idleness are realities too. The awareness of these injustices and the determination to end them are also realities. With wisdom, courage and determination we can overcome these difficulties, or we can hide our heads in the sand, talk about programs which we know will not be funded adequately, and leave ghettos of frustration, worry and neglect, areas of disillusion and disenchantment, and future problems of tremendous magnitude in terms of hatred and bitterness.

● (2030)

The Athenians taught us that greatness is not related to size. Large cities have taught us that ghettos within and strip development without are enemies of the quality of life, and that we must focus the attention of all levels of government on the very important concept of involving citizens in the future design and composition of the communities in which they will live, work, and have their being. If a city is just to be banks, stores, finance companies, schools, parks and cinemas; if it is just to be houses, cement, streets and roads, then we have betrayed the trust of thousands of people who have worked to make our cities a place where people can live in dignity, security and harmony, and where the great achievements of civilization, culture, hopes and dreams for our fellow citizens should be available to all. If these are to be the goals and objectives of this parliament, we will need all the programs which are possible under the bill before us, and many more. We shall have to identify successes in other areas and focus our purchasing power into realistic programs in the field of housing.

I do not know how many wealthy people have large mortgages and pay high interest rates on them. Some government spokesmen seem to know a lot of these people, but I know very few. I do know a lot of people in the lower and middle income groups who have large mortgages, and pay high interest rates and high property taxes. I know the ability to deduct interest payments and property taxes from their income tax would make life a little more like living and would enable them to take their place in the community with greater security. Also I know that it would open up the opportunity and privilege. Imaginative programs like this one and constructive suggestions should not be overlooked simply because they come from the other fellow. Most certainly they should not be the subject of windjamming rhetoric by small-minded politicians and their political hacks.

The country needs the outpouring of imagination, ingenuity and hard work, not just to provide houses but to provide homes for people. We must encourage human dialogue, common experiences, purposes, understanding and respect, which tie Canadians together. Our municipalities must be encouraged to pay greater attention to neighbourhoods, civic pride and the feeling of community.

The sense of community and belonging enhances the feeling of security and a sense of one's own worth in the over-all championship of others. This is the feeling most of us share as Canadians in our Canadian experience. But it is a feeling shared to a far lesser degree by thousands of Canadians who are denied the opportunity of owning their own homes, and by others who suffer daily the ravages of poverty in inadequate housing situations. I hope the minister, in the course of his remarks, will assist me by indicating where in the legislation we can find the magnitude of thrust which is essential to meet this challenge.

The complexity of administering a nation or a great city is very much a deterrent to providing the quality of life essential to the feeling of community in our larger municipalities.

Members of parliament representing large urban ridings will agree they know very few of their constituents on a first name basis, and that only a very small proportion of their constituents know each other or talk to each other. The facilities for children to play, and for adults to work together in larger centres are not only inadequate in number but are difficult to provide.

Every time our great democracies have been faced with a challenge involving maximum danger, the people of the nation, having a strong sense of community, have risen, met the challenge, and defeated it. That has been very much the history of Canada. Yet in our larger centres this feeling of community is disappearing. It is disappearing at a time when its strengths and leadership are needed badly.

In my community the Neighbourhood Improvement Program and the Residential Rehabilitation Assistance Program have worked very well to supply some of the dynamics I have mentioned. The difficulty has been that the programs have not been operative in all our urban areas and have no impact in our rural sections. Marysville, Barker's Point, Nashwaaksis, and some portions of Devon in my community have not qualified for the program at all, or they have qualified for it in a diminished way. Municipal authorities and I have been pressing as hard as possible to have the program expanded into these areas.

The minister announced modifications to the RRAP program as of May 16, 1978. The purpose of the modifications was to make more widely available loans and forgiveness grants based on income. The positive modifications involving elimination of the need to live in a designated area to receive assistance, and the priority to people with low incomes and in areas with housing more in need of repairs, are commendable. The expansion of the list of improvements which may qualify for assistance is a good one. But the elimination of subsidized interest, and the indication that housing co-operatives are no longer eligible for assistance, are negative moves. Over all the modifications represent a net reduction in the government's financial commitments to residential rehabilitation. The total budget for RRAP this year is $9 million, and that really limits it as a universal program.

The new low income housing program announced last May to replace the public housing assistance program, the non-profit housing program, is another good feature. The negative aspects are that the RRAP program and the rent supplement no longer apply to co-op housing. The minimum rent to income rates of 25 per cent may mean that senior citizens, the disabled, and low income earners in public housing projects, will face an increase in their existing rents. Certainly I hope they will not. The interest subsidies do not last for the duration of the projects. They rise with the rental incomes of the property. Thus, with rental incomes increasing as a result of the 25 per cent minimum role, the interest rate after one year probably will accelerate.

The replacement of the Neighbourhood Improvement Program, the municipal infrastructure program and the municipal incentive grant program with the new Community Services Grant Program, represents the re-organization of existing programs which appear to deal with the same municipal public works aspects as the former programs. But the block funding aspect, through the provincial governments, will have to contemplate the regional disparities which exist in the country, to be effective, or, like so many other federal programs, it will be welcome but not effective in helping to close the gap between the Atlantic provinces and the rest of Canada.

In summary, I find the legislation before us has some good points and some bad ones. The greatest deficiency is its failure to stimulate community services and social programs in our rural areas. There are some stimulating elements and some good program vehicles for our urban centres, but the bottom line is, "You only get what you pay for". The dedication of the government to community life and housing, like the resources it puts into it, is not yet an inspiring record.

• (2040)

[*Translation*]

Mr. Charles-Eugène Dionne (Kamouraska): Mr. Speaker, I listened carefully to the previous speakers and on several occasions I followed the discussion of the bill in the House. I am however rather surprised to note that in our country where we have almost everything such as concrete, lumber and manpower, many unemployed, some carpenters, we often have to tackle housing problems. Considering that we are living in a system which I feel is all wrong, we are trying, I understand, to make the best possible use of a bad condition and this is why we are considering Bill C-29 this evening.

Following many studies and consultations with provincial governments, the Minister of Public Works and Minister of State for Urban Affairs (Mr. Ouellet) had already suggested some amendments to the housing policy of the federal government. Later on, the President of the Treasury Board (Mr. Buchanan) announced some budget cuts which required amendments to the National Housing Act.

Amongst those changes, we note that the government, through the Central Mortgage and Housing Corporation, will no longer be a prime lender. It will delegate that task to the private sector. On the other hand, the corporation will guarantee loans of up to a maximum of $40 billion. That figure represents the total amount of loans for which insurance policies will be issued under the act and will absorb part of the interest costs through subsidies. The corporation will be a lender of last resort for public and conventional housing.

In a speech given by the Minister of Public Works and Minister of State for Urban Affairs at the convention of the Quebec Home Builders Association, on November 24, 1978, the government explained its housing policy. First, it would intervene progressively less. We believe that private enterprise can meet the challenge quite well, and meet adequately on its own future needs in the field of conventional housing. Our role will, in the future, be restricted to contributing to the maintenance of a stable market that is competitive and dynamic,

without intervening in fields which rightly belong to free enterprise.

Through this bill, the government therefore withdraws from the field of mortgage loans. It will subsidize housing projects of a social nature by reimbursing part of the interest. The government wants to put more money into housing for low-income Canadians and give more responsibility to the private sector in residential financing. Priority will no longer go to housing units intended for the average-income home owner. That will have a bearing on such programs as the assisted home ownership program and the rental housing assistance program since all subsidies are being cut to produce housing for people of average means. However, maximum sale prices under those programs, as well as the maximum guaranteed loans, will be supervised.

The federal government seems to want to simplify the complex workings of federal and provincial community housing and services programs. The administration of joint programs will be simplified thus, in practice, eliminating often costly and inefficient overlapping and duplication. The new non-profit housing program is aimed at the non-profit corporations, be they private, provincial or municipal, and at the non-profit housing co-ops. It is specifically geared towards low-income earners. The government wishes to make this program more attractive for users and to reach a greater number of low-income earners. The goal is the construction or renovation, but especially the renovation, construction being left in the hands of private enterprise, of some 30,000 housing units, compared to the present level of 19,000 units. This is indeed a praiseworthy effort and it is most desirable that these goals be reached. The federal government will be assisting the non-profit housing program through contributions. Eligibility for these contributions and the manner in which these can be allocated under governor in council regulations will be determined by clause 14 of the bill. In practice, the government will pay a large part of the interests charged on money borrowed from the private sector by means of grants, thus reducing the real rate of interest to 1 per cent on loans covering up to 90 per cent of the project's value, and to 2 per cent on loans covering 100 per cent of their value. Both types of loans will be amortized over 35 years.

Furthermore, the government will give subsidies up to $75,000, as a starting fund, to those who want to provide low cost housing, depending on the size and the complexity of the project. It will enable developers to make proposals which may produce viable projects. The accent will be put on the improvement of existing units rather than on the building aspect. Public, co-operative and non-profit units will be offered to low income people, the rent being a percentage, 25 per cent, of incomes or of market rents, whichever solution is the most advantageous. There will be a purchase option for people residing in non-profit and co-operative housing developments, all projects being subject to the standards and regulations of the National Housing Act. The federal government will continue to deal directly with co-operative and non-profit organizations. Provincial and municipal non-profit corporations will no longer be under the responsibility of the Central Mortgage and Housing Corporation as far as selection, review, approval and inspection of the projects are concerned. Instead, the corporation will accept a provincial certificate showing that the requirements of the program have been met in order to determine eligibility for contributions. I will turn to loans and insurances issued by federal authorities, the Corporation's information leaflets. The government will encourage a greater use of the rent supplement program under which the federal and provincial governments support occupancy of a portion of housing units in private sector projects by low income families. Up until now, mortgage insurance was available only for the purchase of a new home. It will now cover the purchase or improvement of a rental housing project and the conversion of a non-residential building into rental housing. Also, certain loans issued by approved lenders will be 100 per cent insurable. This policy will apply to non-profit corporations wanting to buy, improve, build or modify rental housing projects or home or pension type housing facilities, and also to co-operative housing associations wanting to buy, build or modify housing projects.

For the first time, private sector lenders will issue and insure loans to residents of Indian reserves, whether to an idividual or to an Indian band or group, but only with the approval of the Minister of Indian Affairs and Northern Development (Mr. Faulkner). In this case, Indians are as defined by the Indian Act. This loan may serve for the building or rehabilitation of reserve housing. The Central Mortgage and Housing Corporation used to lend money to owner-lessors. In view of CMHC's new policy of opting out of the loans market, loans issued by the private sector to owner-lessors, under the residential rehabilitation aid program, will be insurable. Under clause 15, lenders will be able to obtain a rapid settlement of loans insured under the National Housing Act, in cases of default.

● (2050)

Clause 4 provides that insured loans can be made to co-operatives provided the majority of units are occupied or owned by the members or shareholders of the co-operative. Previously, 80 per cent occupation or ownership was required. Under clause 1, the corporation could insure certain loans based on other securities than a first mortgage. That security could be note for a second mortgage or any other security depending on the size of the loan. Clause 2 says that loans made or guaranteed by provincial governments under this law will be exempt for mortgage insurance fees. Let us remember that the total amount of all mortgage loans the corporation will be able to insure will go from $25 billion to $40 billion. The essence of the changes with respect to the rehabilitation program is contained in clause 7.

Private sector financing is made available to owners, non-profit corporations and Indians as amended by clause 7. Furthermore, the need for designated areas is eliminated. All restrictions are set aside or withdrawn. As a result of the budget restrictions of the Central Mortgage and Housing Corporation, loans will no longer be made to landlords for rehabilitation purposes. They will have to get their loans from the private sector. As previously stated, these loans will be insurable under the act.

Clause 8 suppresses the limit of $500 per unit on the rehabilitation on homes for the elderly or boarding-house types of housing facilities. That program helps landlords or non-profit co-operatives and associations. For an occupying owner, this assistance comes in the form of a loan which may be forgiven altogether. The maximum loan is $10,000. The borrower whose adjusted family income does not exceed $6,000 is entitled to a loan forgiveness of up to $3,750. If the adjusted family income is $11,000 or more, the loan must be paid back in full. Owners of rental housing can obtain loans of up to $10,000 per housing unit. Payment of 50 per cent of the loan, up to a maximum amount of $2,500 per housing unit, can be forgiven if the owner consents to rent control. Non-profit organizations can also obtain loans of up to $10,000 in which case forgiveness of payment goes up to maximum of $3,750. New projects involving purchase and repairs are not eligible under this program. When the assistance is granted for the creation or the improvement of the hostel or dormitory type of housing, this assistance can represent up to $4,000 per bed, of which payment of $500 can be forgiven.

There is also the graduated payment mortgages program. Clause 5 introduces the notion of graduated payment mortgages, which is rather complex. This aims at simplifying the acquisition of low-cost housing. What is it exactly? Simply an ordinary mortgage for which the monthly charges start at a relatively low level and go up progressively until they reach a certain ceiling. I have here some evidence about this type of graduated payment mortgages. Of course, this concerns public housing, or low-cost housing projects, and it involves a loan of $1,487,700 for the construction of a public housing building. I see here that the residents of the community where this project is being built will have to pay $5,856,206.32 in interests alone in a 50-year period. The amount that they owe is $1,487,700. This is what we must watch out for in graduated payment mortgages.

The payments for the principal and the interest charges of a graduated payment mortgage start at a lower level than for a conventional mortgage. However, these monthly charges will increase by 5 per cent a year until the end of the tenth year. They will then stabilize at this level for the rest of the repayment period, which means that during the first years of repayment of a graduated payment mortgage, you are not paying current interests on the borrowed capital.

This will increase the total debt on a 10¼ per cent rate, $35,000 mortgage with 25 year term by $10,000, as compared to a fixed payment mortgage. If this be an advantage, this system will allow earlier ownership. So here is the option: Earlier ownership with a $10,000 larger indebtedness, or later ownership with more money in the pocket. Is it really worth it to get lower debt because one is anxious to own a house?

The difficulty, as always, is borrowing. There are a lot of poor people who have difficulty in obtaining a loan, and interest charges are much too high. If we calculate payments the owner will have to make in 20, 25 or 30 years from now, we often find he will have to pay the cost of two or three houses before he can get out of debt.

The only amendment to the Central Housing and Mortgage Corporation Act in part two of Bill C-29 is the change of name to "Canada Mortgage and Housing Corporation." This comes within the Canadianization program of the federal government, and is aimed at stressing that the corporation is an arm of the Canadian government. Unless the minister is planning early amendments to payment arrangements with reduced interest rates, a better name in the circumstances would be "Canadian Mortgage and Debt Corporation," because the loans help getting people into debt for years to come. I have here ample evidence of that.

The housing co-operatives had this to say about the new federal housing programs: "The new federal housing programs are aimed at helping builders start with hard-to-sell houses rather than assuring the construction of a larger number of units": *Le Droit*, May 25, 1978. It will be remembered the federal government wants to stress renovation rather than construction. Co-operatives would therefore be "forced to use existing buildings rather than building new ones. Some buildings could not be sold because of poor design or poor location". Should it become almost impossible to build we must expect that people interested in co-operatives, as they make the management of building projects possible, will no longer be interested in that type of organization.

The CMHC is asking for total control over housing co-operatives by establishing in advance the type of restoration and the cost of rent. Those "electorally profitable austerity programs" make a complete farce of voluntary participation of members, one of the basis of co-operatives. The complete loss of autonomy is one of the most discouraging aspects for co-operatives. On November 13 1978, a press release from the Quebec City housing co-operatives urged the government to give priority to the needs of co-operatives by establishing special programs. According to that press release, the government should put directly at their disposal all funds required to finance their projects at a preferential rate compare to that of the private sector.

Housing co-operatives want tenant-co-operators to pay no more than 20 per cent of their gross income instead of 25 per cent as proposed by the government; that interests rates for

mortgage loans be fixed instead of variable; that housing co-operatives do not offer purchase options as it is a co-operative of tenants. The government, through the Central Mortgage and Housing Corporation, changes its position by supporting totally co-operative housing and abandoning the private housing market to concentrate on housing for low wage earners.

The Residential Rehabilitation Assistance Program, RRAP, will mostly benefit Quebec: nearly 45 per cent of the $145 million earmarked for this program will be allocated to Quebec which is showing the deepest desire to rehabilitate its old houses. But the minister has been accused in this House of operating for electoral purposes in promising to expand housing programs whereas the government does not have the funds needed to implement them.

Indeed, ministerial advisers are concerned over the shortage of funds needed to meet demands under the promised expanded housing rehabilitation program. Moreover, the RRAP program is likely to change housing conditions in Quebec; but if money is not available, this might become an electoral commitment without foundation since the Residential Rehabilitation Assistance Program actually is almost starved of public funds.

Evidently, any housing rehabilitation program in Canada becomes a monetary problem in this unsettled financial system of ours. We have all the material required; millions of well disposed workers now without a job and many families who need decent housing. But too often budgetary restraints forbid construction. This results from a broken down financial system which we should change soon as it brings about many useless complications that, in my opinion, could be avoided.

● (2100)

[*English*]

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, this is the first time I have entered the debate on Bill C-29. I have followed with great interest the proceedings prior to second reading, during second reading, at report stage, and now at third reading. I enter the debate at this late hour because of a number of events which have transpired throughout the handling of this bill. There are two specific areas that have not received the attention they should, namely, the problem of housing as it relates to the native community, specifically the Indian and Inuit people; and also as it relates to senior citizens. In my view this bill does not address itself to these areas in a responsible or adequate manner.

From the outset the minister has been toying or playing political games with the provinces and municipalities. I say that because the minister has refused until this late date to introduce this important bill. This is legislation which required far more time, not only at second reading but during committee stage, report stage, and again at third reading.

The minister knows perfectly well there are provinces and municipalities all across Canada which have been acting in good faith in arranging programs. They have been waiting for this legislation to be introduced and passed so they could proceed with the programs they had been contemplating and hoping to have implemented within a reasonable period of time.

I find that an interesting scenario. The minister has travelled across Canada and made important pronouncements about this program. He has prodded and encouraged municipalities and provinces to go ahead with plans for various programs. Then he delays the introduction of this legislation for almost a year. As I indicated, we have had very little time to debate what I consider are some important aspects of the bill. We have not had an opportunity to enlarge on various areas of housing which this party considers extremely important.

Notwithstanding some important elements in the legislation one has to ask the question, why would the minister follow this particular course of action? Why would he talk about this legislation for over a year and then introduce it at the last moment at a time when this House could dissolve imminently? There are probably several reasons for this. The minister is aware of numerous horror stories within that department and I am sure he is aware of various allegations that have been made with regard to the mismanagement of funds, possible patronage and corruption that have existed within that department and various programs. Of course this is not uncommon in other areas of government.

The minister knows there are certain aspects of this legislation that are inconsistent with his public pronouncements. These have been questioned by different segments of our community. I will not go into those, Mr. Speaker, because my colleagues have covered a number of them in the past. However, I feel there are specific areas of housing which have been virtually ignored in this debate.

For a moment or two I would like to talk about senior citizens and the importance of housing to them, and the inadequacy of housing for the native population, specifically the Indian and the Inuit people across Canada.

It is important to put in perspective the extent of mismanagement and misappropriation of funds which are the responsibility of the minister responsible for this bill. It is important for at least three reasons. I am sure there are others, but there are three that I want to emphasize. Initially it reconfirms the position that has been expressed by this party on numerous occasions regarding the excesses of this government, its mismanagement and fiscal irresponsiblity in handling programs. I would suggest that if they were eliminated that could be done without impairing services to Canadians. That is not a partisan position.

I recall being at the public accounts committee hearing when the Auditor General made his report in November, 1978. In issue number five of the minutes of the public accounts committee for November 23, 1978, at page 5:21, the Auditor General, in response to a question regarding the principle of value for money, said:

But I think this value-for-money auditing, Mr. Chairman, is going to catch on like wildfire, in some places anyway, perhaps not with a great enthusiasm by the auditees but we would welcome it. In any event I do feel that what we are talking about here this afternoon perhaps within the next several years can be looked back upon as Canada's "proposition 13:" Obviously, you can see, I am pretty enthusiastic about the prospects.

I believe that is a fundamental principle involved in this entire debate. Indeed if the mismanagement that has been demonstrated in so many programs under the auspices of this minister were removed, the services could be provided to Canadians rather than seeing so many programs cut back or eliminated. I will give some examples of this in a moment.

I must mention also that many of these horror stories associated with the ministry unfortunately have been perceived to be related to the failure of innocent victims. This is not new in this House of Commons. I am sure members in this House will recall that two years ago at the Standing Committee on Indian Affairs and Northern Development we discussed the Indian economic development fund. We demonstrated during an opposition day in this House that there had been at least $50 million mismanaged by that particular department for this one program. Yet the impression was left that it was the Indian community in Canada that had failed. I suggest that same ingredient exists for similar programs that have been handled under this ministry.

Because of the government's inability and its failure to administer programs in an adequate way, it has become immobilized and it has actually become paralysed with respect to many programs and it has lost the ability to govern in that respect. Let us take a look at one department as an example. A moment ago I mentioned the program of Indian economic development, and the government's mismanagement of it. That was confirmed in the Auditor General's 1978 report. What has happend since that time? The entire program of economic development which we consider crucial to Indian problems across Canada has virtually been ignored and there is no program in that sense of the word.

The Indian arts and crafts control marketing service, a program which I consider to be outstanding as an outlet for Indian arts and crafts across the country, was terminated by this government at the end of last year because of its mismanagement of the program. I can assure you that that project will be pursued very actively when the estimates are before the Standing Committee on Indian Affairs and Northern Development. Again, there have been cutbacks on health care to Indian and Inuit people across Canada. Perhaps I could put this in its best perspective by relating a brief part of a conversation I had with the Nova Scotia Indian Brotherhood about two weeks ago. They were talking about the delivery of services to the various reserves and settlements in that province. They came up with a very interesting figure which they could document. It showed that the federal government is spending $8 to deliver 75 cents worth of services to the Indian people on those reserves and in those communities. That is the type of problem about which I am talking. It is the type of issue that has been ignored throughout the debate.

[Mr. Holmes.]

● (2110)

As I indicated earlier, the implications of this legislation virtually ignore senior citizens across the country. I will come back to that in a moment or two. A number of my colleagues have gone into the horror stories with regard to this program over the years. I mention in passing the problems with York Place and similar projects of that nature such as the luxurious hotels, something that is common knowledge to all hon. members of this House.

I was most interested in a brochure with regard to one of them. It describes, and I quote:

—the ambience throughout Hôtel Le Quai d'Orsay is most distinctive and reflects the mood of 20th century aristocratic living.

I can assure hon. members the people I am speaking for and talking about, the senior citizens across this country, certainly those in my area, and the native people, are not interested in aristocratic living. They simply want a roof over their heads and reasonable homes in which to live. I will come to those statistics in a moment.

My colleagues talked about the disasters in the area of AHOP and the graduated mortgage program. I was most impressed with the five-part series published by the Hamilton *Spectator* during the period January 27 to February 1, 1979, regarding the disasters with respect to CMHC. I have no intention of quoting extensively, but there are two of extreme interest to me because they relate to two of the issues I referred to earlier. One was "$500,000 for 12 basements". The other issue was entitled "RCMP Probing Housing Disaster, Sutton Project Cost Us $300,000". Those two projects relate to the rural and native housing program. As I indicated before, it demonstrates the mismanagement on the part of this government, the misappropriation and misallocation of funds. Because of that this government has not been able to live up to its mandate to provide the type of housing that is needed in this area.

I want to make a comment or two about senior citizens' housing. I must be honest. I am not impressed nor am I convinced that the legislation before us is responsive to that particular need across Canada. Why is it important? I had the fortunate opportunity before coming to the House of Commons of dealing to a great extent with senior citizens across Canada, particularly in my area. Senior citizens are not really a demanding group. However, if there is one aspect that stands out when dealing with senior citizens it is the problem of loneliness. It is probably the single most important medical problem they face.

Senior citizens are interested people. They want to remain in their own homes, near their families and in their community among their friends. I recently attended a ninetieth birthday which demonstrated this in a most eloquent and sensitive way. I knew this individual who was celebrating her ninetieth birthday. How wonderful it was that the entire family could be at this nursing home to celebrate it with her. The sensitivity was experienced by all of us. It was not only felt by her family and those friends around her, but by all the inhabitants of that small community. This is a very important aspect.

The reeve of a small village in my area wrote to me in January after hearing about this bill. He was concerned that senior citizen housing would not be available for the small village of Thamesville. I quote from his letter:

> Council learned from the Ministry of Housing that the village would have to form a chartered public non-profit making organization. Ninety per cent of the capital funds would have to be raised privately just to be eligible for rent subsidies. We would also be responsible for planning and carrying out the project ourselves with only the advice of the Ministry of Housing.

I talked to the reeve of that small village of about 1,000 about this problem. I simply draw to the attention of hon. members the last portion "responsible for planning and carrying out the project ourselves". As I said, this is a small village of about 1,000 people. Do they have an architect? Do they have individuals who can do the type of planning that might be done in metro Toronto or some other large city? That involves a very substantial cost for a town of that size. The government did not address itself to that in this legislation.

I have received letters from that and other communities wherein senior citizens have reflected on the problems and the necessity of our addressing ourselves to those problems. I quote from one letter:

> —we understand they found $18 million to help four cities with hockey arenas. Is this more important than having shelter for the people that played a large part in the building of this country . . . Every year we have seniors that have to leave their larger homes or farms and friends and go to other centres to find shelter. This is very upsetting to older people.

Another woman wrote to say she had lost four friends in the last year. They moved to larger centres because of the absence of senior citizen housing in that area.

I know my time is running out, but I must say a few words about the problem of Indian housing across Canada. I suppose this could be best demonstrated by the experience in Assumption. I am sure hon. members are cognizant of what has appeared on the national news and in newspapers across Canada with regard to the fact there have been at least three deaths in the past two weeks of infants in that small community, due to bronchialitis, which is related to substandard housing in that community. This can be documented across the country.

On our allotted day on November 18, 1976, this party outlined in a very responsible manner the problems related to housing for Indian and native people across this country. Let me just take a moment or two to give some indication of the severity of that problem. On that day we talked about the Indians, the Inuit and, indeed, the native problem itself.

● (2120)

As I recall, today is the fifth anniversary of the rural and native housing program and of the government's commitment to build 50,000 homes for that community. How many homes have actually been built during that period? Not more than 7,000, plus or minus one or two hundred. On the anniversary date, a government which talks about a positive housing policy for the Indians and Inuit has built less than 1,000 homes during the whole five-year period. It is estimated that over a period of 30 years, 31,000 houses were built for Indians; of that number 14,000 were considered substandard in 1976, 9,000 required rehabilitation on a major scale, and more than 7,500 were beyond repair. The figures have not improved. If anything they are worse today, and there is nothing in the bill before us which addresses itself to this problem. Ten per cent of those homes consisted of no more than one room, often with ten to 15 individuals crowding into it.

Seventy per cent of the Indian population were without water, 25 per cent were forced to use water known to be contaminated, and 40 per cent had to rely on surface water—imagine the health hazards there. Ninety per cent had to use outside pit toilets for sewage disposal.

Mr. Speaker, I could go on and on describing conditions in the Inuit community. The situation in the Inuit community is no better. We know there were buildings put up in the north in the southern style, which virtually disintegrated over a five-year period. They were unsuited to the lifestyle of those who lived in them and were inconsistent with climatic conditions in the northern regions. Fifty thousand homes were promised five years ago, and only 7,000 were delivered, as I have stated, under the government's native policy.

I can recall bringing the attention of the House to the seriousness of this problem on an earlier occasion, while this subject was under debate on November 18, 1976. I can recall the minister's comments on that day. If I may say so, he demonstrated no interest in native housing policy on that occasion; he was more concerned about other matters. To show the seriousness of the problem let me quote from page 1145 of *Hansard* for November 18, 1976:

> In many areas houses are so worthless that residents seldom bother to spend money on improvements or make an effort to repair them. Broken windows are patched with cardboard boxes.
>
> Rusty cream cans are used for water storage. It is rare if there is more than one bed and more than one or two chairs. When a visitor eats at home he usually is given the few dishes and silverware, while the family eats out of the tin pans or even tin cans. Most homes have electricity. Kerosene lamps are the only source of light. In many communities, water is scarce and has to be hauled long distances. Often it is unfit for human consumption.

I could go on. However, I entered the debate at this late stage primarily because of my grave concern, my feeling that the government and the minister have ignored two extremely important areas as far as housing is concerned. I am not satisfied that there has been a positive response from the government to the needs of senior citizens, and I am not satisfied that the government has demonstrated any interest in native housing in Canada or developed any policy to deal with it.

Mr. Penner: On a point of order, Mr. Speaker, would the hon. member accept a brief question?

Mr. Holmes: Yes, Mr. Speaker.

Mr. Penner: I listened with great interest to the hon. member, whom I consider to be one of the more responsible members on that side of the House who sits on the Standing Committee on Indian Affairs and Northern Development. During his address he quoted a figure which I am sure he

would like to explain more fully to the House. If he is unable to do so tonight the matter will be pursued at great length in the Committee on Indian Affairs and Northern Development.

Some hon. Members: Question!

Mr. Penner: The question is coming, if the hon. member would be patient. It takes a little time and a little elaboration is required, so contain yourself.

The question relates to a figure which was given by the hon. member; he told us that 75 cents worth of service was delivered to the Indian people at a cost of $8. That statement requires a great deal of explanation, and because the hon. member for Lambton-Kent (Mr. Holmes) is intelligent enough to know that the Department of Indian Affairs and Northern Development delivers to the Indian people services amounting to $711 million, he may wish to ask his caucus this week whether his colleagues would support an increase in this amount—I think he would find a great deal of opposition on the part of his fellow members to increase expenditures on programs for the Indian people. The hon. member will also be aware that there are another $200 million from the Department of National Health and Welfare, the Canada Works program and the Young Canada Works program, which could be added to that figure of $711 million.

An hon. Member: Order. He is making a speech.

The Acting Speaker (Mr. Turner): The hon. member is on a point of order but I suggest he get to the question.

Mr. Penner: Thank you, Mr. Speaker. I have been given permission to ask a question, but I could have been recognized for the purpose of making a speech. However, I wanted to use my time to ask a question. We are now dealing with a total of $911 million; out of that $44 million is used to administer the Indian programs. I would ask the hon. member to explain how the expenditure of $44 million in dealing with that volume of services could be equated with the statement he has made suggesting that 75 cents worth of services cost $8 to deliver. There is obviously a great discrepancy between the figures given by the hon. member and those I have advanced. Responsible as he is, I am sure he would not wish to leave the chamber without justifying them.

Mr. Holmes: I appreciate the recognition by the hon. member for Thunder Bay (Mr. Penner) of my interest in Indian and Inuit problems. That is precisely what prompted me to enter into the debate this evening. In my view little attention has been paid to this area. I am sorry the hon. member was not listening very carefully to my speech. If he would look at the transcript he would find I indicated I had met with representatives of the Nova Scotia Indian Brotherhood who had stated, in the course of a presentation, that in respect to certain programs in their area $8 of federal funds were required to deliver 75 cents worth of services. That information was given in a presentation to members of my party, and I would be more than delighted at a later date to provide the hon. member with those figures.

• (2130)

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I am glad to have an opportunity to rise for the first time in this debate. I expected to participate earlier, but because of the tragedy of miners being killed in my riding I had to spend a much longer period of time than I anticipated down home in connection with that terrible catastrophe as well as with other problems.

I browsed through the *Debates* so far because that is really all I had time to do. The minister seemed preoccupied in his lengthy speech in this debate with dispelling the idea of a housing crisis in Canada. At this late hour I do not want to get into a semantic discussion because I want to give at least one member of the official opposition five or seven minutes. However, whether we call it a crisis or not, the situation is close to a crisis by anybody's definition except, evidently, the minister's. CMHC figures as recently as last year indicated that approximately 1,225,000 households in this country are suffering from some form of housing deprivation. This breaks down into 180,000 families living in inadequate dwellings, 298,000 overcrowded dwellings, and 547,000 families paying more than 25 per cent of their total income on shelter. These are dry statistics, but they have a very serious meaning for the human beings involved. What I am saying is that a million households being affected means that several million Canadians are affected by these conditions, and if that is not a crisis it is something of which this country should be ashamed.

The hon. member for Winnipeg North (Mr. Orlikow) quoted Mr. Teron's speech in Calgary of two years ago, which is an additional piece of evidence from CMHC despite the seemingly loose connection Mr. Teron still has with CMHC or what is to be called "the Canadian Mortgage and Housing Corporation" because of these amendments. In November of 1976 Mr. Teron said and I quote, "that when 280,000 families in Canada pay more than 50 per cent of their family income for housing"—and that is shocking to me—"550,000 families in Canada pay more than 45 per cent." Imagine that in this day of high food prices and high prices for everything else. Imagine shelling out that kind of money for housing. Mr. Teron said that 820,000 families at that time paid more than 25 per cent, and two thirds of Canadians in need of housing could not afford to buy or rent without a subsidy from their fellow man. He said that we had a fundamental problem. Whether in the minister's mind we have a crisis or not, we certainly have a fundamental problem. Mr. Teron went on to say that, and I quote, "we must take reasonable action now or more drastic action later".

In connection with one part of this whole housing problem I want to pick up the theme of Mr. Teron when he referred to a national housing crisis. The minister might use some other word. With regard to the national housing problem which besets this country I want to speak of one element which relates to my home constituency. I have been dealing with the minister on this for some two years and with his predecessor before that. This problem relates to the inability of the Resi-

dential Rehabilitation Assistance Program and the Neighbourhood Improvement Program to do certain jobs in certain areas.

In the mining towns which make up a major part of my constituency some housing is 70 to 100 years old. Marx and nineteenth century socialists would call this housing proletarian housing. Private companies have dug pits and built coal mines, and built houses around them. Around these pits or collieries, as they are called in other countries, people were crowded into company housing. After these companies get their money out, they leave. I do not want to digress too far, but the only country in the world which has a real private mining industry is the United States. To me it is no coincidence that United States mines have had over the years the worst safety features of all in the western world and, as far as we know, even parts of eastern Europe such as Poland which is light years ahead of the United States in that respect. I say that by way of digression. However, there is an essential problem.

I am not saying that the Residential Rehabilitation Assistance Program, even in these mining areas, has not been good, because it has. However, the program has been slow and cumbersome. I have correspondence here which dates back to the time I came here. This correspondence is with one minister after another. It deals with Devco, the Minister of State for Urban Affairs (Mr. Ouellet), the former minister of housing now the Minister of National Defence (Mr. Danson), and others. This correspondence shows that all of them, including CMHC and Devco, ran around the problem and continually told me that there were other programs or that they could not get into this type of thing.

CMHC told me that it did not want to initiate action. I feel that CMHC is not flexible enough. I do not say that about local officials, but I do say that about policy-making and its application. I agree with the fundamental argument of our party—and I push it forward—that we want centralization of the monetary and fiscal policies of this country to remain in federal hands. If the federal government does not want to give the provinces a bigger share in the management of housing policy within their regions it could at least be more flexible in application with regard to its universal program in areas like mine, and, for example, Sudbury and Timmins which have old housing. This old housing is the legacy of these areas, and it is the worst part of their past. Something should be done to correct that.

I suggested to the minister, CMHC and Devco, that in an area of high unemployment rehabilitation should be promoted. That rehabilitation should be for the benefit of senior citizens and widows who are now living in much of this older housing. It should be made better for them. I suggested that would be a real investment in the future and that it would reduce the amount of new construction for public housing and senior citizens housing. I proposed a special rehabilitation agency for an area like Cape Breton. I have been kept dancing around by these Crown corporations and these ministers on this issue because they just have not been able to co-ordinate or did not have the will to do so. They have not been flexible, and no initiative has been taken to correct the serious deficiencies in the areas to which I referred.

The reason I am so upset about this is that this year RRAP does not include something which may not seem important to some members of this House but which is very important to a member like me, that is, that no foundations are to be included under RRAP this year. I have been asking for a new rehabilitation agency, and that foundations be put under what were formerly company houses now owned by miners since the post-war period, lived in by miners, pensioners, widows, and low income people. I would like this housing to be upgraded by the addition of foundations. We have come to the conclusion it would cost about $8,000 per household. I asked the present head of Devco, who was then interim head, Mr. Steve Rankin, to try to get CMHC going on this and to use the growth component of the Canada Works program, but again things are so slow there, and the explanations given to MPPs are so inadequate that it is difficult to get any of these things off the ground.

• (2140)

I appeal to the minister tonight to tell CMHC officials in Sydney, "Look we have taken in people from Kentucky", which they did. We held meetings and we found there are no parallels whatsoever between the problem in Kentucky and the housing problem in our mining areas and former mining areas, including the area where our Deputy Prime Minister (Mr. MacEachen) was born. We could take 60 houses as a pilot project at $8,000 each, which comes to roughly $480,000. With the present delivery system, we could put foundations under these houses and people could contribute something small out of their incomes, which would come to roughly only $7,300 on average. In that way we would make a contribution which RRAP is not able to make because it is so slow and cumbersome and because of the fact that it does not now include foundations.

I make that special pitch to the minister tonight. I see the minister in charge of the Cape Breton Development Corporation, the Minister of Regional Economic Development (Mr. Lessard), here tonight. He knows that since he has been head of that department I have been bringing up this matter in meeting after meeting. Surely to God places like Cape Breton, which have the legacy of a coal mining area which was exploited to the ultimate by private companies which have then pulled out, deserve, beside employment, to have their houses improved in order to make up for the failures of the past. I want to be fair to the government and state clearly that I do not accuse them of doing nothing because the fact is that they have neglected the area's housing for so long that in the 1970s they have made some kind of an effort, but it is not sufficient and where it especially needs to be made.

I could speak on many other aspects, Mr. Speaker, such as the one relating to the development of co-operative housing and my concerns about co-operative housing under these amendments. But once again I appeal to the Minister of Regional Economic Development to get together with the

Minister of Employment and Immigration (Mr. Cullen) and the minister of housing so that those people who have contributed a great deal to Canada in the past and some of whose tragedy we have recently witnessed across this nation, will not suffer in the future, such as the elderly and, pensioners making $7,500 at an average, and that they will have decent shelter from the cold in the meantime. It is better to supply some people with interim employment than to hand out unemployment insurance to people who basically do not want it. Longer term problems of employment of course should be tied up with coal, steel and fisheries development and any diversification that may come from that.

I should like to conclude my remarks now because I know the hon. member for Ottawa-Carleton (Mrs. Pigott), the hon. lady from the official opposition who is on my right, would like to say a few words. I hope the ministers involved will take my admonition seriously.

Mrs. Pigott: They do not care.

Mr. Hogan: I cannot believe that, fundamentally. I think they do care and they will do something about it for the sake of those people who need this kind of housing so badly.

[*Translation*]

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): Mr. Speaker, it gives me pleasure, at this stage of the debate on Bill C-29, to take the floor and indicate in public both my desire and the satisfaction it gives me to support a bill which will have three major effects. These, I feel, would bear repeating to the Canadian population as a whole.

The first major effect of this bill sponsored by the Minister of Public Works and Minister of State for Urban Affairs (Mr. Ouellet) will be to double the output of public housing in Canada. This noble objective is worth stressing and all to the credit of the minister's social conscience. The second desirable effect of Bill C-29 will be to increase—

Mr. Speaker, I am sorry, but I hear the hon. member chatting with the hon. member for Ottawa-Carleton (Mrs. Pigott). Maybe they could pursue their conversation behind the curtains. Personally, I wish to address myself to the Canadian public without being disturbed. We, on this side of the House, have always respected hon. members opposite when they take the floor by refraining from interrupting them. I would like to be extended the same privilege, Mr. Speaker, especially when we are discussing a bill of such serious nature which will have such important consequences on the poor, the category of people the Progressive Conservative party systematically forget about in their attitude and I will have the opportunity to prove that in a few moments.

The second desirable effect of Bill C-29, as I was saying, will be to increase very substantially the rate of rehabilitation of housing this year, to double that performance in 1980 and to triple it in 1981. The third effect worth mentioning will be to encourage—and that is fundamental, Mr. Speaker—municipalities in their community services projects. When one considers these three objectives or the three effects Bill C-29 will have, one wonders how the official opposition can justify the attitude it showed at all stages in the consideration of the bill from second reading, through discussion in Committee of the Whole House up to now, at third reading.

Mr. Speaker, several hon. members of the Progressive Conservative party wrongly pointed out and insisted that the bill had been introduced a year too late. Yet the Minister of Public Works and Minister of State for Urban Affairs in the speech he made when he introduced his motion for second reading said stressed this, and I quote from page 3467 of *Hansard* for February 21, 1979. He said:

> —it is obvious that in its most important aspects this bill implements the new orientation the Canadian government intends to give housing. That orientation is being adopted as a result of the meetings I have held with my provincial colleagues; together, as ministers responsible for housing in Canada, we formulated this new policy.

Mr. Speaker, it has been made quite clear at the outset of the discussion of Bill C-29 that there was no undue delay, that on the contrary the minister had felt proper to consult with the people more directly concerned before introducing in this House such an important legislation. The last federal-provincial conference of housing ministers was held last fall, and the Minister of Public Works and Minister of State for Urban Affairs (Mr. Ouellet) had committed himself to consult with co-operative housing movements in Canada following the ministerial conference and before the introduction of this legislation in the House.

So, Mr. Speaker, before introducing his bill in the House of Commons, the minister had to respect the most fundamental democracy, namely to consult his provincial counterparts, as promised. This is what they did last fall. They also consulted co-operative housing movements in Canada following that ministerial conference. This is where the new co-operative program was developed, at the beginning of December, 1978.

Mr. Speaker, how can the government and the minister be held responsible for the one-year delay in the introduction of the bill when, as I have just mentioned, the conference of housing ministers was held last fall, when there were meetings with co-operative housing movements following that conference and when the new co-operative program was effectively developed at the beginning of December 1978? Mr. Speaker, I think that it is not serious, that in their speeches, the Progressive Conservatives misled the people by stating that we were not interested either in ending the study of that bill in a reasonable time or introducing it at the proper time. Quite the opposite, Mr. Speaker. The Minister of Public Works acted responsibly. He respected the people. He consulted them. He honoured his commitments. He introduced the bill at the very first opportunity.

Mr. Speaker, if we look at the proceedings on Bill C-29, we note that it was introduced into the House on December 8 therefore immediately after the new co-operative program was finalized following consultation with the housing ministers and housing co-operatives in Canada. So, on December 8, according to the official register of the House, we find on the order paper the notice of presentation of the bill and the recommendation of the governor general. First reading was given to it by the House on December 12, 1978 and it was only on December 21, 1978, late in the afternoon, that under unfortunate circumstances we were able to start the debate on second reading of this bill because of the dilatory, childish and irresponsible manoeuvre of the Progressive Conservative party.

Mr. Speaker, I need not remind you that the debate on second reading of this very important bill started on February 21, 1979, when the Progressive Conservative party deemed it timely to present a motion for adjournment which delayed—I hear the hon. member mumble remarks. I should very much like to hear them clearly and be able to answer them. If she has anything to say, I am willing to sit down and hear her out, after which I shall answer her. But I see that she is not in her seat. If she wants to take the floor, I will listen to her.

Mr. Speaker, I was here on February 21, and many Canadians through the televised debates were able to observe the irresponsible behaviour of the Progressive Conservative party which for a period of more than two hours prevented the House of Commons of Canada from functioning normally. It prevented the Minister of Public Works and Minister of State for Urban Affairs from delivering his speech at second reading on this important legislation which aims at improving the lot of those who are most in need in this country, by building as many housing units as possible at the lowest cost possible. This attitude prompted the Minister of Public Works and Minister of State for Urban Affairs to say that the Leader of the Opposition (Mr. Clark) behaved that afternoon like a little kid bent on playing hooky and that it was obvious he did not have the sense of responsibility one needs to take on the heaviest responsibilities in the land.

Today we heard Progressive Conservative members complaining about the fact that this bill was brought forward too late. How phoney on their part to say that, Mr. Speaker! They are precisely those who delayed the introduction of this bill by a manoeuvre which was totally disrespectful of this institution and of the urgency of legislating in the House of Commons by presenting a motion for adjournment in a childish manner and by preventing serious-minded members from working and legislating.

Furthermore, Mr. Speaker, we only need to consider the duration of this debate at second reading on Bill C-29. We have never witnessed an official opposition so systematically trying to present a bill from being passed by protracting the debates for several days. I want to be specific and I will state some facts in support of my allegations. On February 23, 1979, that issue had been debated during the whole day at second reading, on February 26, 1979, on February 28, 1979, on March 1, 1979, on March 2—

• (2150)

[*English*]

Mrs. Pigott: Mr. Speaker, I rise on a point of order. We had a very good spirit here on Friday. I am absolutely appalled. We agreed to make an order that we would finish the debate tonight. I think we made a fundamental mistake.

Mr. Lalonde: That is not a point of order.

Mrs. Pigott: The minister opposite indicated that we would have time tonight. The spirit of this debate has now gone with this type of tirade. We expected to get speakers on tonight who have not had an opportunity to participate.

Mr. Lalonde: That is not a point of order.

Mrs. Pigott: It is a breach of faith. So typical, so typical.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Turner): Order, please. I suggest to the hon. member that that is not a point of order; it is debate.

[*Translation*]

Mr. Pinard: Mr. Speaker, I hardly understand the attitude of the hon. member for Ottawa-Carleton (Mrs. Pigott) who is trying to make us believe that the Progressive Conservative party is spontaneously in favour of this bill while for several days which I was just listing, they have done their utmost to prevent it from being passed within a reasonable period of time. Mr. Speaker, what the Progressive Conservative party was trying to do and especially the hon. member for Ottawa-Carleton, was an attempt to prevent the doubling of social housing production in Canada. It is quite unacceptable, Mr. Speaker, and here they come today talking about a spirit of understanding after having thwarted us for days and after having misled the Canadian public by systematically opposing a rational debate on this bill, while the House of Commons—

[*English*]

Mr. Whiteway: Mr. Speaker, I rise on a point of order. I have never heard, even from this Liberal government, so many lies one after the other as I have heard from the Parliamentary Secretary to the President of the Privy Council (Mr. Pinard) tonight.

The Acting Speaker (Mr. Turner): I suggest the hon. member should withdraw his last remarks about lies. Will the hon. member withdraw that remark?

Mr. Whiteway: Yes, I will withdraw the unparliamentary language of lies. But I will not withdraw the fact that I have never heard so many untruths spoken one after the other as we

have heard from the Parliamentary Secretary to the President of the Privy Council.

The Acting Speaker (Mr. Turner): I suggest to the hon. member that that is not a point of order; it is debate.

Mr. Stevens: Mr. Speaker, I rise on a point of order. I wonder if Your Honour would advise hon. members of the nature of the House order earlier today. Is it correct that there will be no further debate on this subject after ten o'clock tonight, and that there will be no voting between now and ten o'clock? Is that the nature of the House order?

The Acting Speaker (Mr. Turner): That is correct, that is the motion moved earlier today.

Mr. Paproski: Then I should like to call it ten o'clock, Mr. Speaker.

Mr. Hogan: A point of order, Mr. Speaker—

The Acting Speaker (Mr. Turner): Order, please. It being ten o'clock p.m., pursuant to order made earlier this day it is my duty to interrupt the debate and put forthwith every question necessary to dispose of the bill now before the House. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

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

● (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

STATUS OF WOMEN—ALLEGED FAILURE OF GOVERNMENT TO PROVIDE EQUAL OPPORTUNITY FOR WOMEN IN PUBLIC SERVICE

Mr. David MacDonald (Egmont): Mr. Speaker, I had hoped a moment ago until the Minister of Justice (Mr. Lalonde) left the chamber that he was going to be here to reply to this question, because for over a year now I have been attempting to get some firm accounting from the minister in respect of the treatment by the government of its female employees in the public service. I hope, in the course of the next few minutes, to remind the minister, whether he is here tonight or has the opportunity to read this later, of the very serious allegations and criticisms which are contained in the latest report of the Advisory Council on the Status of Women regarding the situation of women in the public service.

As members will know, in January of this year the Advisory Council on the Status of Women issued again, as it has done on an annual basis in recent years, a report on the progress women have made in the public service. This report is entitled "Barriers to Equal Opportunity." I believe that this report is a veritable catalogue of discriminations and failures on the part of the government in acting on behalf of its female public employees.

As the report states clearly in its introduction, the government's direct responsibility regarding the employment of women is crucial because, as the report sets out at page 1:

> First, as the largest single employer of women, it has a direct responsibility to provide equal opportunities for women in the public service.

That is a mandate and a responsibility which very clearly, as this report indicates, has not been lived up to. The government increasingly has treated women as a reserve pool of labour.

I do not have time this evening to point out all the detail, but I would be delighted to hear the minister's response in explaining how it is that as income difficulties have grown, as the report says at page 13, "the federal government, in its employment practices continues to treat women as if they constitute a reserve pool of labour".

I hope in the course of the next few minutes to point out very clearly how, again and again, this report indicts the government in terms of its responsibilities in respect of the employment of women in the public service.

At page 15, in terms of the situation regarding term appointments, one indication of the attitude that has actually been lived up to regarding the public service is stated in the report:

> As of March 1978, 17 per cent of public servants were employed on a term basis. Approximately half of these employees were men and half women.

On the surface that would appear quite fair, as the report states. It goes on to state that the facts are that "fewer women are public servants." The report states:

> As of March 1978, only 36.7 per cent of public servants, including seasonal and term employees, were women.
>
> The tendency to place women in term appointments is growing, not diminishing. The percentage of term employees who were women increased from 45.2 per cent in 1976 to 48.7 per cent in 1977—

Further on at page 20 of this report it is pointed out with regard to the over-all improvement women have made in the public service:

> Moreover, there has been little improvement over time. If we compare the 1977 quintile breakdown with quintile figures for 1973 and 1975, we find that the distribution has changed only minimally.

Further on it points out:

> In the middle quintile, there was a reversal in 1977 of an upward trend between 1973 and 1975.

In respect of the recent lay-offs that have been taking place, and I think here we are reminded of some exchanges which took place between my colleague, the hon. member for Kingston and the Islands (Miss MacDonald) and the President of the Treasury Board (Mr. Buchanan), the report points out at page 23:

> Between 1976 and 1977 the number of public servants laid off more than doubled from 1012 to 2347. In 1976, 470, or 46 per cent of the employees laid off were women. In 1977, 1243 women were laid off, representing 53 per cent of the total. This increase is shocking enough in itself, but when we remember that

women account for only 37 per cent of federal public servants, the discrimination becomes even more glaring.

● (2205)

Hon. members may recall that a number of questions were raised in this House a year ago about the number of women entering the career assignment program and about those achieving appointments in the upper and middle levels of management in the public service. On page 31 the report says:

Even in this program, the representation of women has dropped. Although, as the table below confirms, in 1975 women accounted for 30.6 per cent of the participants in the CAP, by 1977 they accounted for only 14 per cent falling behind the 1973 representation.

Finally, this part of the report concludes with a summation of the report that has been presented to the government. On page 44 it says:

The preceding statistics reveal that the federal government has failed to provide equal opportunities for women in the public service.

It goes on to point out that instead of being ahead of the private sector, it is trailing behind. Why is this? Why has there been this failure?

On page 46 the report points out:

—the government's failure to address the basic patterns which underly the historic inequality of women.

In effect the report recognizes that the government has not come to grips with the basic elements that would require adjustment or change if real discrimination were to be removed. The report points out on page 52:

Notably absent have been any concrete moves to make the recommended structural adjustments or to actively recruit women into occupational groups where they are under-represented.

It goes on to say at page 53:

It would appear then that inherent in the very programs designed to promote equal opportunities for women is either an unawareness of the historical factors maintaining the inequality or an inability or unwillingness to adopt an employment approach that can address the real issues.

This is the crux of the matter, Mr. Speaker, "an inability or unwillingness" to address the essential structure requires to end discrimination in employment in the public service. I hope that one of the parliamentary secretaries here this evening can give us some concrete reason why the government to this point is only prepared to dismiss a highly important and helpful report.

Mr. Robert Daudlin (Parliamentary Secretary to Secretary of State): Mr. Speaker, the hon. member will understand that in the three minutes afforded to me this evening it will be impossible to provide any kind of thesis or in depth response to the argument he makes relying on the report he has quoted so copiously. It will afford me, however, the opportunity at least to deal with a couple of the points he raised at some length and with some vigour. He suggests that the lay-offs taking place and the figures on which he relied, were shocking.

I would point out, as has the President of the Treasury Board (Mr. Buchanan) in response to questions put by the hon. member and others on that side of the House with respect to lay-offs, and "the last hired, first fired" statement that was made, that in fact those persons hired most recently are those who might be expected to be laid off first. Short of coming out with some kind of hybrid whereby there would be no opportunity for those with tenure enjoying more job security than those most recently hired, it would seem to be impossible, with a large influx of women into the labour market, not to have a disproportionately large number of them laid off when such large lay-offs take place.

The government has indicated that the argument may not be acceptable in terms of what is actually taking place. The difficulty we are dealing with is structural. When there is a larger influx of women, as has been the case in recent days, it might be expected that they would be the first to go when lay-offs take place.

In the time remaining perhaps I might be permitted to indicate by way of history that a cabinet directive No. 44 issued in 1972 requested that deputy heads of departments promote women in middle and upper echelon positions. Since that time numbers of women have been increasing in all categories except scientific and professional. The 1975 cabinet directive stated that every deputy head must assign an officer responsible for the EOW program. That has happened. I should like to be able to present more facts and figures but I am restricted by the time available.

● (2210)

AIR TRANSPORT—SETTLEMENT WITH UNION TO AVOID FURTHER DETERIORATION OF AIR SAFETY

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, with every department head having at least three female secretaries, why shouldn't what the parliamentary secretary has said be true notwithstanding what my colleague has just referred to?

My concern tonight is the plight facing air travellers in Canada. In particular it refers to a question which I raised on February 5, well over a month ago, respecting negotiations between the department and the air inspectors and their bargaining procedures. It seems six weeks after the question was raised that negotiations are in limbo, and while this is so there is a continuing demoralization of these individuals. Without question there is a lowering of the capacity of these people to apply themselves vigorously to their jobs and responsibilities.

Continuously in this House in recent months there has been a plea from the opposition for the government to move swiftly to remove any cause for concern on the part of those who use aircraft to travel across Canada. I sugest there is a failure on the part of the government to recognize that beyond the bargaining procedures there is a responsibility to make absolutely certain that there is no cause for fear or alarm among the air travelling public.

Failure of the government to do this prompted me to ask once again this evening if the parliamentary secretary could indicate the status of the negotiations. Could he tell us whether the principle of comparability, so eloquently espoused by the Minister of Employment and Immigration (Mr. Cullen) has

found favour among his colleagues on the Treasury benches? If so, as a result of that, can we anticipate any action on the part of the government to reopen the talks which seem to be somewhat stalemated at the moment? These are essentially the questions that concern us. We cannot continue to have a high standard maintained if the people who are asked to do the job are not anywhere nearly comparable in wages to those with similar training in the private sector. I will not dwell on that topic, but I am sure the parliamentary secretary appreciates and understands the implications of it.

Let me remind the parliamentary secretary once more, if I may, that the question of safety in transport, and the conflicts which arise therefrom, are not a new subject in this House. I can tell him that I have had a private member's bill prepared for his edification, and I know he has looked at it, which gets to the root of the problem when the regulatory agency continues to have to accept responsibility for the investigated or consequential result of that regulatory authority posed in a statutory manner. These things must come to an end, the charade like that which arose out of Cranbrook, with the attempt by the ministry to bury a report until such time as they have had a chance to prepare new regulations, authorities and tighter and tougher rules with regard to air safety. That is not good enough. The minister should look at his internal organization in the hope that the ultimate beneficiary will be the travelling public in this country.

• (2215)

I am a minor individual. However, I have just completed my 1,300th trip between this city and my city of Halifax. I am not unfamiliar with aircraft. When I board an aeroplane I like to know that the highest standards possible are in effect. We have the capacity and the trained personnel in this country. They are ready to work. What we need is an awareness and attitude on the part of this government to ensure that our air inspection officers are able to work to their fullest capacity and with the best interests of all Canadians uppermost in their minds. I repeat my question.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but his time has expired.

[*Translation*]

Mr. Charles Lapointe (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the hon. member is right to say that members of the opposition party have brought up many times the question of the negotiations between the aviation inspectors and their employer, Transport Canada. I believe that it is not intentionally that the hon. member is bringing up this matter again, but I would like him to note, Mr. Speaker, that by bringing up this scarecrow every day or nearly every day—I have taken part myself in four late shows already to explain that negotiations are going on normally.

By bringing up this scarecrow regularly, as I said earlier, that is by saying that this could cause problems in air safety in Canada. I believe that the hon. member could cause, even

though unintentionally, unjustified fears among the Canadian travelling public. I would like to remind him that, as was said in the committee on transport and communications, since 1973 the ratio of air incidents to the number of flight hours or flights in Canada has steadily decreased. As for the question he raised about the investigation of aviation incidents, I would also like to remind him that a few weeks ago the minister stated the policy related to a reorganization of these air incident investigation procedures. To come back to the question raised this evening by the hon. member, Mr. Speaker, that is the current negotiations between the employer and the aviation inspectors, the employer feels that negotiations are progressing normally and that all procedures under the Public Service Staff Relations Act, either the services of a conciliator afterwards or the intervention of a conciliation board and all such mechanisms, Mr. Speaker, have not yet been exhausted. During the negotiations, the employer stated that he was ready to carry on negotiations while admitting the difficulties which the parties had to tackle. He believes, however, that negotiations should be held between the parties directly involved and that it is not proper to use the House of Commons as a platform for collective bargaining. This is what we said on several occasions and I am convinced that my colleague will agree with me in that regard.

[*English*]

In the meantime the civil aviation inspectors are still performing their assigned tasks without resort to slow-down or work-to-rule activities. The important function of enforcement of the air regulations and other legislation is still being actively pursued. The inspection of air carriers and the performance of the required pilot proficiency checks are still carried on. The investigation of aircraft accidents and incidents is still proceeding normally. The calibration of navigation and landing aids is still being performed.

[*Translation*]

Mr. Speaker, I think that the time allotted to me has expired and I hope that I have proved to the House that all regulations and necessary inspections for air safety are now enforced in Canada.

• (2220)

[*English*]

HEALTH AND WELFARE—HEALTH CARE OF NATIVE PEOPLES

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, you may recall that late last fall, around Christmas time and early in January, there was an outcry from the Indian people because the Minister of National Health and Welfare (Miss Bégin) had decided to withdraw certain health services from those people. The guidelines which she imposed at that time were based on a broad accusation that Indian people were abusing certain of the health services, particularly ambulance services, dental services, optometric services, and the use of prescription drugs. She made this broad accusation but to this date I have not heard from her one specific example of such abuse.

It seems to me that the minister, who poses or attempts to pose before the public as a humane lady, chose on this occasion to attack the poor and the weak—as we all know, the Indians in this country are, by and large, poor and certainly economically speaking, weak. As to their physical state, when we examine the statistics we see that the mortality rate for Indian children is much higher than the rate for the rest of the population; the life expectancy generally is much lower, and in many aspects of life the Indians are falling behind the rest of society. Thus it seems to me that it was a callous decision on the part of the minister to impose these guidelines which make it more difficult, if not impossible, for sick Indian people to get ambulance drives to hospital or to obtain the drugs they require, sometimes on an emergency basis. But she acted on the basis of a broad accusation that people were abusing the system.

As a result of representations from members of my party, the National Indian Brotherhood and other Indian organizations, she did, however, agree to suspend these guidelines for a six-month period. She explained she was doing so in order to have more time in which to consult with Indian people. Mr. Speaker, the fact is that so far she refuses even to talk with them. She has refused to set in motion any mechanism for the consultation process in which she told us she wanted to engage.

In support of this statement, I should like to read a telex which was sent to the minister by the National Indian Brotherhood. I may say I had a conversation with the president of the National Indian Brotherhood and the president of the Alberta Indian Association just this afternoon, so the information I have is very current. The telex reads:

> It is unfortunate that you feel it is not applicable at this time to discuss the issue of health services and in particular the consultation mechanism established on January 24. You have my letter of January 28 outlining our concerns with the consultation mechanism. We have had no reply. My staff has been in contact with your office no less than eight times since January 24 attempting to set up a meeting with you to clarify the ongoing issue of health services to Indian people. The consultation process appears to be actually negating discussion and we have an executive council meeting and I am sorry I have to report that once again you have refused to meet to discuss and clarify the ongoing health issue.

● (2225)

It appears that the minister is stonewalling. It appears that her promise to negotiate was nothing more than a political ploy to take this issue out of public discussion until the election is over. It is quite clear that she has no intention whatsoever to carry out her promise to negotiate.

Another aspect concerns me very much insofar as her attitude is concerned. At the meeting of January 24 a representative of the National Indian Brotherhood presented the minister with a blanket as a token of esteem. It was a new Hudson Bay blanket. It was a very expensive and very good blanket. I am sure, Mr. Speaker, if you think back, you will realize that it was a very nice gift for the National Indian Brotherhood to offer the minister.

The minister took the blanket, but the next day she had the gall to telephone the president of the National Indian Brotherhood to inquire whether the blanket carried disease or whether there was a curse on it to harm her in any way. The response the National Indian Brotherhood gave the minister was that it was given to her with only the best intentions and that the minister could send it to her own laboratories to determine whether it carried any disease. I am astonished by the attitude of the minister. It seems quite clear that she has either been badly advised or has committed herself with less than the best of intentions as far as negotiations are concerned. If it was her intention to get past the election with this ploy and if the universe unfolds as it should, my party will pick up the pieces, the consultation process will indeed continue when the election is over, and a humane way will be found to solve this very serious problem.

Mr. Robert Daudlin (Parliamentary Secretary to Secretary of State): Mr. Speaker, I deplore the suggestion of the hon. member that the minister attempted to use as a ploy for time an extension of six months with a view to escaping any obligation she undertook. I think this House and those who know the minister know that she is an honourable woman, and if she gave any undertaking she will indeed seek to do everything possible to fulfil it. I reject out of hand any suggestion by the hon. member that anything other than that is the case.

In addition, I suggest that the hon. member has used the late show to go rather far afield from the question he initially put. If he expects a response to a question he put earlier, he should restrict himself to that question so that any preparation for the purpose of making a response is directed to the initial question.

In any event, at the January 24 meeting the minister did meet with Indian participants who presented their views with regard to the department's guidelines regarding the provision of certain uninsured health services to Indian and Inuit people. I would like to take some time to outline the demands of the Indian people, but the time goes quickly. I can only say that on January 24 the minister indicated that primary health services and programs for Indian people on reserves would not be affected.

The minister explained the reasons for implementing guidelines for uninsured services, which include the provision of eyeglasses, dentures, prescription drugs, and transportation of patients for medical reasons. I think it is important that I state once again that, contrary to the incorrect information the hon. member opposite put on the record, the services we are talking about are not insured services, they are uninsured services. This is not a new policy which was implemented just recently by this government. It is a continuation of the policy which has existed since 1958 and which was put in place by the government of the right hon. member for Prince Albert (Mr. Diefenbaker). In fact this is not something that is new and different.

● (2230)

What the minister has indicated is that in fact there had been some abuses that had grown into the system and that, as a consequence, it was time for a rationalization of the system to ensure that proper insured services would be provided under the policy. Notwithstanding the fact that there was a rationalization, because of the misapprehension and misinformation

that had crept into the debate she provided a six months' suspension so that there could be a further discussion and a further understanding of what was going on. She outlined at that time four guidelines or criteria which were made known to the Indian and Inuit representatives at that meeting. I can provide those guidelines to the hon. member again this evening, if he does not have them yet or does not understand them, and I will be pleased to bring all hon. members up to date on the implementation of the policy pertaining to the health of the Indian and Inuit people, but I see that my time has expired.

Mr. Deputy Speaker: A motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the House adjourned at 10.31 p.m.

HOUSE OF COMMONS

Tuesday, March 13, 1979

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

ADMINISTRATION OF JUSTICE

CALL FOR AMENDMENTS TO GUN CONTROL REGULATIONS—MOTION UNDER S.O. 43

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I rise on a matter of urgent and pressing necessity, under the provisions of Standing Order 43, in connection with the gun control legislation.

Everywhere across this nation, law-abiding citizens are appalled by the administration of this act, which has become a bureaucratic jumble of misinterpretations which differ among enforcement officers, with the consequent result that injustices occurring to good and responsible citizens, and in particular to sportsmen and sportswomen, are creating grave concern except to the underworld, which is making fabulous profits in illicit sales of firearms.

I move, seconded by the hon. member for Edmonton Centre (Mr. Paproski):

That before this House adjourns, a committee be set up with power to bring about needed amendments to the regulations, to the end that uniformity of interpretation be achieved and injustices to responsible individuals be done away with.

Mr. Speaker: According to the terms of Standing Order 43, the presentation of such a motion for debate requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

THE SEAL HUNT

REQUEST FOR OFFICIAL STATEMENT—MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with a very important matter.

Considering the noisy publicity now being made about the baby seal hunt; considering that the matter has raised protests and indignation in Canada and even abroad; and considering all that row is likely to make Canadians abroad look like brutes and unprincipled people, I move, seconded by the hon. member for Lotbinière (Mr. Janelle):

That the House direct the Minister of Fisheries and the Environment (Mr. LeBlanc) to make an official statement in the House to clear up that matter and preserve the good name of Canada and, if necessary, that a debate on the issue be held immediately.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

SHIPPING

SAFETY INSPECTOR FOR SAINT JOHN, N.B.—MOTION UNDER S.O. 43

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that previous efforts of four locals of the International Longshoremen's Association in Saint John, New Brunswick, were unsuccessful in obtaining a full-time safety inspector for the port of Saint John, New Brunswick, in view of the fact that a recent rash of accidents prompted the Maritime Employers Association to hire a safety inspector paid by the MEA, and since the unions involved rejected the proposal that such an inspector be paid by the MEA, I move, seconded by the hon. member for Humber-St. George's-St. Barbe (Mr. Faour):

That the federal government should forthwith appoint an accomplished, non-partisan safety inspector for the port of Saint John.

Mr. Speaker: Presentation of such a motion for debate would require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

● (1410)

ENERGY

REQUEST FOR STATEMENT ON OIL POLICY RESPECTING ALBERTA—MOTION UNDER S.O. 43

Mr. Gordon Towers (Red Deer): Mr. Speaker, I rise under the provisions of Standing Order 43 to move, seconded by the hon. member for Calgary Centre (Mr. Andre):

That the Minister of Energy, Mines and Resources make a statement on motions informing this House and Canadians whether government policy is related to the continuing development of a healthy oil industry in Alberta, or whether it is federal policy to leave the oil in the ground as proposed by Mr. Nick Taylor, the Alberta Liberal leader.

Some hon. Members: Oh, oh!

* * *

URBAN AFFAIRS

DEPUTY MINISTER TO APPEAR BEFORE COMMITTEE ON SALE OF PESTALOZZI COLLEGE—MOTION UNDER S.O. 43

Mrs. Jean E. Pigott (Ottawa-Carleton): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In the light of reported statements by the Deputy Minister of Urban Affairs appearing in the *Sunday Post* of Canada on March 4, that "I have a very active imagination . . . nobody has taught me right from wrong . . . my mind is fluid, always full of wild hallucinations", I ask leave to move, seconded by the hon. member for Selkirk (Mr. Whiteway):

That the Minister of State for Urban Affairs direct the deputy minister to appear before the standing committee to explain whether wild hallucinations influenced the sale of Pestalozzi college at a loss to the taxpayers of Canada of over $3 million.

Some hon. Members: Hear, hear!

Mr. Speaker: Such a motion can be put forward at this time only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PENITENTIARIES

DISMISSAL OF TWO CHAPLAINS FROM STONEY MOUNTAIN—MOTION UNDER S.O. 43

Mr. Dean Whiteway (Selkirk): Mr. Speaker, I have a motion to put forward under the terms of Standing Order 43.

In consideration of the fact that the most effective rehabilitation in our federal prisons takes place as a result of the application of moral and spiritual values to the lives of inmates, I ask leave to move, seconded by the hon. member for Portage (Mr. Masniuk):

[Mr. Speaker.]

That this House direct the Solicitor General to reverse his decision to dismiss two of the three chaplains at Stoney Mountain penitentiary and that he do this immediately.

Mr. Speaker: Such a motion can be put forward at this time only by unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

SUPPORT FOR PETRO-CANADA NEGOTIATING WITH VENEZUELA AND MEXICO—MOTION UNDER S.O. 43

Mr. Maurice Foster (Algoma): Mr. Speaker, I rise, under the terms of Standing Order 43, on a matter of urgent and pressing necessity.

Considering that Imperial Oil of Canada has now refused the request of the Minister of Energy, Mines and Resources that contractual arrangements for the supply of Venezuelan oil to Canada be made directly with Imperial Oil of Canada rather than through Imperial's giant multinational parent, Exxon, and considering that the refusal originates from the same Exxon corporation that unilaterally interfered with Venezuelan oil exports intended for Canada only a few weeks ago, I ask leave to move, seconded by the hon. member for Thunder Bay (Mr. Penner):

That this House declare its support for the position taken by the Minister of Energy, Mines and Resources that our own national oil company, Petro-Canada, step in and commence negotiations with both Venezuela and Mexico to ensure Canadian petroleum supplies, since the multinationals and their Canadian subsidiaries obviously cannot be trusted to fulfil their commitments or act in the Canadian interest.

Some hon. Members: Hear, hear!

Mr. Speaker: Such a motion, under the terms of Standing Order 43, can be put to the House only by unanimous consent. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

INCOME TAX

DELAY IN MAILING REFUNDS—MOTION UNDER S.O. 43

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I rise, under the provisions of Standing Order 43, to ask the unanimous consent of the House to deal with a matter of urgent and pressing necessity.

In view of the fact that workers in the Sudbury basin had been informed by the Minister of National Revenue that refunds on income tax would not go out before March 1, and in view of the fact that we are now beyond March 1 and the

striking workers have not yet received refunds, I would move, seconded by the hon. member for Sault Ste. Marie (Mr. Symes):

That this House insist that the Minister of National Revenue immediately investigate the delay in his department vis-à-vis the mailing of refunds.

Mr. Speaker: Presentation of such a motion for discussion at this time would require unanimous consent. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

DEVALUED CANADIAN DOLLAR—EFFECT ON UNEMPLOYMENT—EMPLOYMENT TAX CREDIT

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Minister of Finance. It relates to the recently released figures with respect to unemployment which show there are still one million people unemployed in this country, including the hidden jobless.

This is nothing to be pleased about; we should be ashamed of those figures. What is even more significant is the fact that in the industrial heartland of Ontario, the city of Windsor is suffering from unemployment at a rate of 10.2 per cent, in Sudbury the rate is 12 per cent, in Hamilton 8 per cent, in St. Catharines 14.5 per cent, and in parts of the Niagara region, it reaches 20 per cent.

● (1415)

Does the minister consider this matter to be serious, and how does he intend to reverse this very unacceptable situation, particularly when he brags about how well manufacturing is doing and what the devalued dollar is doing in terms of job creation?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, I would like to report to the House that in the manufacturing sector, in the last 12 months, 159,000 new jobs were created, an increase of 8.7 per cent from the previous year, that unemployment went down by two-tenths of a point in Ontario, and that the Canadian economy managed to put 400,000 more people to work last month than in the same month last year.

I think that is good news. It is a good trend. It is not the end of the problem we face, but one has to recognize that we are making progress. Of course, when hon. members opposite have only doom and gloom in mind, it is hard for them to see any ray of sunshine on the horizon.

Mr. Alexander: Mr. Speaker, the minister should stop misleading the Canadian people. One million people out of work is nothing to sneer and gloat about. We are calling for action.

I will give the minister an opportunity to do something which perhaps can get him out of the mess he is in. The employment tax credit was supposed to create some 50,000 jobs. We are short by about 34,000 jobs. Will the minister, together with the minister he is talking to now, the Minister of Employment and Immigration, and the Minister of Regional Economic Expansion get together with their provincial counterparts to determine what to do about the cities I just spoke about—I mentioned Windsor, Sudbury, Hamilton, St. Catharines and the Niagara region—in order to create the 34,000 jobs which have not been created yet? Will the minister do that, instead of gloating about how happy he is that one million people are unemployed?

Mr. Chrétien: Mr. Speaker, since it has been implemented, the employment tax credit program has created 16,700 jobs. I am informed that the business community realizes the advantages of this tax credit for the creation of new jobs. There is a take-up under this program of 500 jobs a week. We had to make some changes in the regulations after we started the program, and the program is starting to pick up some steam. It is helping to create jobs in the private sector; but the hon. member does not want to see the evidence.

Mr. Alexander: Mr. Speaker, I said yesterday that the minister was full of boloney, and I say that he is full of boloney again today. What he has conveniently forgotten to tell the Canadian people is that 9,000 of those 16,000 jobs were created in the province of Quebec. That means that there is a tremendous shortfall in the rest of the country.

The minister evaded my question. Will he meet with his counterparts in the province of Ontario, together with the Minister of Employment and Immigration and the Minister of Regional Economic Expansion, to see how the slack in the employment tax credit can be picked up? Will the minister answer that question, instead of giving me a lot of flim-flam?

Mr. Chrétien: Mr. Speaker, I am not impressed by the loud voice of the hon. member. I think the take-up under this new program is pretty good. The hon. member can see that in some parts of the country the program has been used to better advantage than in other parts. Because there was some slowdown in the province of Ontario, I hope more advantage will be taken. If new personnel are put on the payrolls, the advantage will be $1.50 per hour in terms of tax credits. I think this is a good program. It is available to everyone. I hope the businessmen who listen to this argument will realize that there is unanimity in this House that it is a good program.

REASON FOR DROP IN NUMBER OF JOBS CREATED

Mr. James A. McGrath (St. John's East): Mr. Speaker, listening to the replies of the Minister of Finance, it is not difficult to understand why the Liberal Party of Ontario would not want to be associated with this government.

I would like to ask the Minister of Employment and Immigration if he can explain to the House why the job creation rate dropped so dramatically to 1,000 from 90,000 in the previous month, given the fact that we still have an official unemployment rate in Canada of 954,000. I hope the minister will not gloat over that like his colleague, the Minister of Finance.

Hon. Bud Cullen (Minister of Employment and Immigration): Mr. Speaker, I am sorry we cannot match the histrionics of the hon. member for Hamilton West. He makes good theatre, but he does not deal with the facts. One fact is that programs are in place. Some $710 million is available for job creation. This is something like the fourteenth or fifteenth consecutive month in which there has been an increase in employment in the manufacturing sector. I am happy to see the unemployment figures go down. We still have a challenge there.

• (1420)

Some hon. Members: Oh, oh!

Mr. Cullen: The job experience training program has created something like 30,000 jobs for our young people. I think that is commendable and right on target. The Minister of Finance has indicated his views on the investment potential of the business community. I think this bodes well for Canada now and in the future and for the creation of jobs.

Mr. McGrath: The minister calls it a challenge; I call the fact that we have over one million Canadians unemployed incompetence on the part of this government. When you analyse today's unemployment figures, you see that youth unemployment—the age category between 15 and 24—makes up about 14 per cent of the unemployed.

Will the minister explain to the House exactly what he proposes to do about that, given the fact that that army of young unemployed are about to be joined by the university students who will be coming out of colleges and universities in this country looking for jobs that are not there?

Mr. Cullen: The hon. member seems not to have been paying attention, but the fact is that something like a quarter of a billion dollars has been made available for job creation involving youth in this country. The job experience training program is specifically directed at young people and last year, despite the histrionics of the hon. member, we placed more young students in jobs last summer than we have ever done. I think we will more than match that this year because the economy is improving.

Some hon. Members: Hear, hear!

UNEMPLOYMENT IN EASTERN CANADA—CALL FOR SPECIAL PROGRAM TO ALLEVIATE SITUATION

Mr. Fonse Faour (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the President of the Board of Economic Development Ministers. The unemployment figures released today show, no matter what consolation the government can take from them nationally, that Atlantic Canada, and in particular Newfoundland, is still suffering high unemployment even after all the government's wishful thinking that things are getting better.

The real unemployment rate in Newfoundland is still over 30 per cent, with New Brunswick and Prince Edward Island at over 25 per cent and Nova Scotia at around 18 per cent. Is this sufficient evidence to convince the minister that a special economic program is needed to alleviate the real economic difficulties suffered by individual Canadians in eastern Canada, a program that should of necessity involve tax cuts to lower and middle income people, and investment in housing and public works? Will the minister now consider this sort of program?

Hon. Robert K. Andras (President of the Board of Economic Development Ministers): Mr. Speaker, I do not think that kind of program would alleviate the problems to which the hon. member referred. Without in any way indicating our lack of concern for it, because we are very concerned about it, the hon. member knows that a great deal of the problem in the area to which he referred is a seasonal one.

There are many programs of the federal government at work now. The retiring premier of that province has indicated that Newfoundland is poised for prosperity. I doubt very much that panic measures such as the hon. member is suggesting would, in fact, alleviate the unemployment and I think they would cause severe problems in other directions.

HIGH UNEMPLOYMENT AND INFLATION IN EASTERN CANADA—EFFECT ON CONSUMERS

Mr. Fonse Faour (Humber-St. George's-St. Barbe): Mr. Speaker, the retiring premier might say the province is poised for prosperity, but to unemployed people along the coast who make up 30 per cent of the workforce of the province there is certainly no prosperity there.

I should like to address my supplementary question to the Minister of Consumer and Corporate Affairs. The unemployment rates that I have mentioned present a picture of real hardship for people in Newfoundland and the other Atlantic provinces when viewed with the inflation figures for the area. Inflation in Newfoundland is running at the highest rate in Canada, with last month's increase at an annual rate of some 9 per cent.

Has the minister made any investigation as to why inflation rates in the Newfoundland region of slow growth are the highest in Canada, in a region that can least afford high inflation and, if not, will he undertake to see why consumers in Newfoundland are being hit with a double whammy, the highest unemployment in Canada along with the highest prices?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): I do not have that analysis available to me at present, but I point out that the government did announce in

the fall measures to increase income to lower and middle income Canadians by means of old age security and the family tax credit which will be made available very shortly.

Mr. Faour: This seems to me to be another case of the minister looking into it. Newfoundland still has not seen any concrete action. I will give the minister an example—

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

Mr. Faour: It was reported today that a preliminary study of the Economic Council of Canada showed that national chain stores in Newfoundland have the highest profits in Canada compared with the same stores elsewhere. This appears to be due to less competition and no motivation to charge reasonable prices.

My question to the minister is this: In view of the fact that this translates into extra profit for these stores—about 60 per cent higher than in Ontario—what action will he take to stop this price gouging of the worst kind in an area of the country that can least afford it?

● (1425)

Mr. Allmand: Mr. Speaker, virtually there are thousands of companies in Canada announcing profit and price increases from time to time, some justified and probably some not justified. It is unreasonable for hon. members in that party to come to the House each day expecting to have information on all those companies and a ready analysis of why profits or prices went up. If they are really interested in information, they will give me notice of those questions and I will be pleased to give them good, sound answers.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

* * *

[*Translation*]

THE SEAL HUNT

ALLEGED INHUMANE TREATMENT WHICH WILL ENDANGER SPECIES—GOVERNMENT POSITION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, my question is to the Minister of Fisheries and the Environment. Given all the fuss which is being made about the seal hunt and in order to calm people down and reassure the public, would the minister be in a position to tell the House whether illegal hunting is actually taking place, whether the methods used are cruel and whether the number of seal pups which will be killed is high enough to endanger the very existence of the herd in the region in question?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, as the hon. member will recall there was a lot of controversy in Canada a few years ago. The more we inform the public, the more they agree that this hunt is absolutely legal, that it is comparable with other activities consisting in killing animals for the meat they provide. It is somewhat brutal, that cannot be denied. This having been said, however, the hunt is carried out under the strict control of persons fully cognizant with fisheries. It is carried out in the presence of people working for groups whose aim is to prevent animal cruelty. I must say that if all animals were killed in a way as tightly controlled and as disciplined as the seals are, there would be no protests whatsoever.

Mr. Lambert (Bellechasse): Mr. Speaker, I have a supplementary question for the minister. I want to thank him for his very precise answer. I should like therefore to ask him to tell the House whether these sectors of our industry are yielding rather substantial income for Canada, and whether his departmental officials are taking the necessary steps to preserve this species, so that we may continue to use it in a humane fashion, as he has just indicated.

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, I can assure the hon. member that no evidence has been produced to indicate that it is in any danger, as far as conservation is concerned. On the contrary, we have set very low quotas to favour a quicker restoration of our stocks. As to the economic aspect, I must say that compared with other sectors of activities, these few millions of dollars may appear modest. But when we consider that this represents one third of their yearly income for a great many fishermen, either from the Magdalen Islands or Newfoundland, I think that we should be ill advised to accept the views of foreigners who are taking advantage of this protest to make money.

* * *

UNEMPLOYMENT INSURANCE

INQUIRY WHETHER STATISTICS CANADA WILL STUDY SITUATION RESPECTING INELIGIBLE WORKERS

Mr. Roch La Salle (Joliette): Mr. Speaker, my question is for the Minister of Employment and Immigration.

In view of the unemployment statistics released this morning and of the fact that Bill C-14 rendered some 200,000 beneficiaries ineligible for benefits, can the minister tell us if he has asked Statistics Canada to undertake a study or analysis to determine if these persons have filed job applications at manpower centres, what percentage of these persons have been forced to go on welfare and what has happened to these thousands of persons who, prior to January 1979, were eligible for benefits?

● (1430)

[*English*]

Hon. Bud Cullen (Minister of Employment and Immigration): Mr. Speaker, the hon. member is seeking a fair amount

of information. I think he should either drop me a line or put a question on the order paper and I will get the specifics back to him.

[*Translation*]

Mr. La Salle: A supplementary question, Mr. Speaker. I understand that the minister is not overly concerned with what has happened to the beneficiairies rendered ineligible by Bill C-14. Since the unemployment rate has dropped from 8.1 to 7.9 per cent, and I think the minister is aware that a number of people, discouraged by the provisions of this bill and the fact that jobs are hard to find did not file new job applications with manpower centres, which may explain the apparent drop in the unemployment rate since the Statistics Canada figures hide the true unemployment rate, will the minister undertake to request a study to determine what has happened to these people? This would, I feel, enable Statistics Canada to produce much more reliable figures than the ones published this morning.

[*English*]

Mr. Cullen: Mr. Speaker, I do not know that the supply of additional information is going to be beneficial. The fact of the matter is that the participation rate in Canada this year among the working force is higher, rather than lower.

We have also indicated to various provinces, particularly to the welfare officers, that if they find people are constantly unemployed, will not be drawing unemployment insurance benefits and this would impact on their welfare rolls or welfare payments, we will make a special study of this situation and make additional efforts to see what we can do either to train them or to put them back in the work force. But to suggest that the numbers are down is not correct; the participation rate is higher this year than last year.

* * *

FINANCE

INQUIRY WHETHER GOVERNMENT ACTED UNILATERALLY IN REDUCING TARIFFS ON FRUITS AND VEGETABLES

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, if one were to add up the numbers in all the reports of new jobs created by the Minister of Finance, the Minister of Employment and Immigration and the President of the Treasury Board, we would not have any unemployment today.

In the negotiations in respect of food and other items in GATT, the government had an opportunity, according to representations made by the food processing industry and the agricultural industry, to create 100,000 jobs in Canada in that field, while at the same time creating work, productive opportunity and new income. Since the government's new legislation before the House does not bring these changes into place until October 1, 1979, and they will have no impact whatsoever upon the production of agricultural products in this calendar year, has the government included this date in its agreement with foreign nations, or is this another unilateral tariff reduction on fruits and vegetables?

[*Translation*]

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, yesterday we lowered tariffs on produce because in our opinion it was important to do so at this time in the interest of consumers. We have also chosen October 1 as the implementation date for the protection system affecting people in horticulture because we believe that that is when it will be to their best advantage. In any event, it is of no use to them now because they are not producing since we are still in winter.

[*English*]

Mr. McCain: Mr. Speaker, in view of the fact that the competitive structure in respect of those food items which are produced in Canada up to or in excess of Canada's requirements puts them presently on the market at prices which are bargain basement prices, and these are the only products on which the consumer is getting a break—that is, potatoes, carrots, onions and turnips—and these are the industries which have been maintained in Canada and the items which have received protection and support in Canada, why did the minister not extend to the consumer the benefit of a competitive structure by enhancing the fruit and vegetable processing industry in Canada, while at the same time employing another 100,000 people?

Mr. Chrétien: Mr. Speaker, I think the way in which we have proceeded has provided all benefits of the reduction in tariffs to Canadians at this time as well as for the processors and producers in Canada. The change in the tariff as recommended by the Tariff Board will come into place when it is needed, at the end of the summer or at the end of the production season in Canada. I think we are dealing with both sides in that way.

* * *

[*Translation*]

URBAN AFFAIRS

INQUIRY WHETHER NCC WILL GIVE CONSIDERATION TO CITIZENS OF HULL CONCERNING PROPOSED LAND EXCHANGE

Mr. Gaston Isabelle (Hull): Mr. Speaker, my question is for the minister responsible for the National Capital Commission.

Since the government of the former "belle province" has refused to grant a simple request for land exchange between the National Capital Commission and the city of Hull, and only allowed the city to ask the commission for a 99-year lease on the land where the new city hall will be erected, can the minister tell the House, after consideration of this matter, naturally, if he intends to act in the best interest of the Hull city council and the citizens of that municipality, despite provincial red tape, which is a clear case of infringement on

the autonomy of that city which has become a hostage of the provincial government since 1976?

Hon. André Ouellet (Minister of Public Works and Minister of State for Urban Affairs): Mr. Speaker, I can assure the hon. member that the Government of Canada is eager to co-operate with municipal authorities in Hull and to do so in the best interest of the people on the Quebec side of the Ottawa valley.

* * *

[*English*]

ADMINISTRATION OF JUSTICE

STATEMENTS BY PETER TREU RESPECTING POSSIBILITY OF FACING FURTHER CHARGES

Mr. G. W. Baldwin (Peace River): Mr. Speaker, in the absence of the Minister of Justice I should like to ask a question of the acting minister, and one later of the Prime Minister.

In light of statements being made to me today by Dr. Treu, that statements have been made to him that unless he keeps his mouth shut, further charges might be laid against him, will the Acting Minister of Justice report on this and make sure that instructions are given to all concerned with this matter that this form of conduct is highly repugnant to our system of justice in this country?

Some hon. Members: Hear, hear!

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, in the absence of the acting minister as well, I would be glad to take notice of that question.

REQUEST FOR TABLING OF DOCUMENTS IN CASE OF FORMER MEMBER FOR DOLLARD

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a supplementary question for the Prime Minister. In light of the fact that the Minister of Justice said that in his view no compensation should be paid to Dr. Treu as this would establish a very bad and unique precedent, would the Prime Minister, as the man no doubt responsible for the care and comfort of former ministers, undertake to table in the House all memoranda, letters, correspondence, documents, minutes and reasons dealing with the undertaking by the government to help the former minister of supply and services, the former member for Dollard, in connection with a civil trial he is now undergoing?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would be happy to take notice of the question. The Minister of Justice told me he was returning to the House a little later today.

Mr. Speaker: I recognize the right hon. member for Prince Albert.

Mr. Diefenbaker: Mr. Speaker, the Minister of Justice, who was here, has disappeared. I will wait until he comes back.

Some hon. Members: Oh, oh!

* * *

ENERGY

STATEMENT OF ALBERTA LIBERAL LEADER CONCERNING FEDERAL MINISTER OF ENERGY

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is for the Prime Minister. We are all very much aware of the deep repugnance the Prime Minister has for any sound advice or suggestions coming from the provincial sector, but I wonder if he has given any consideration whatsoever to the announced request made on Friday by Mr. Nick Taylor, the Alberta Liberal leader, that the federal Minister of Energy, Mines and Resources and Minister of State for Science and Technology should be fired on the ground that he is "foolish and fatuous"?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I cannot vouch for the authenticity of the quote by the hon. member. I do not think his past record is very good in that respect. I can say that, contrary to the Leader of the Opposition, I do not base the federal government's policies on what provincial politicians say.

Some hon. Members: Hear, hear!

* * *

● (1440)

FINANCE

TARIFF REDUCTIONS—EFFECT ON CONSUMERS

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Finance because, as the Prime Minister knows, he has no provincial government to talk to.

Some hon. Members: Hear, hear!

Mr. Stevens: My question to the Minister of Finance touches on the tariff reductions to which he has referred. Could the minister give the House some indication as to how effective these tariff reductions might be. For example, lettuce and celery have gone up by 25 per cent since last March. What does the minister estimate would be the impact for the consumer in Canada as a result of his tariff reductions on those two items?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, I do not have in front of me the list of all the items on which the tariff has been reduced. Of course, the price would be reduced in accordance with the tariffs which would have to be paid at this time, but I do not have the exact figures at the moment.

I said yesterday that these reductions would help the consumer marginally because, of course, the maximum tariff is 15 per cent, but that it would not reduce prices if increases in prices were caused by external factors. It will reduce the price only in relation to the decrease in the tariff.

Mr. Stevens: Mr. Speaker, the Minister of Finance—and isn't he beautiful!—says the cheap dollar causes the price increase, and then when he is asked, "With a 25 per cent increase since last March, how much do you think your tariff reductions will improve the situation?", he cannot give the answer.

What assurances can the Minister of Finance give to the House that in any event the tariff reduction will be passed on to the consumer in Canada and that it will not stay in sticky fingers somewhere, other than in the consumers' hands?

Mr. Chrétien: Mr. Speaker, I think that the hon. member is an expert on sticky fingers.

Mr. Alexander: Oh, oh!

Mr. Chrétien: In dealing with the marketplace, we have to presume that the marketplace will pass on the reduction in the tariffs. Generally speaking, I believe that the marketplace in Canada is working. I am very surprised that the financial critics on the other side have no confidence at all in the business community of Canada.

MONITORING AGENCY TO POLICE TARIFF REDUCTIONS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question, which is on the same topic, is addressed to the Minister of Consumer and Corporate Affairs and it is a question of which he does not need notice. It concerns the tariff reductions on imported foods.

Could the minister tell the House whether or not there will be a monitoring agency to ensure that the tariff reductions are actually passed on to the consumer? In other words, in what way will the government police these tariff reductions? Will it establish a monitoring agency to make sure that the reductions are passed on?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, we set up a monitoring agency last week to do that.

Mr. Nystrom: Mr. Speaker, I would like to ask a supplementary question of the minister concerning the monitoring of the tax cut last fall, when $1 billion was given to corporations through the reduction of the manufacturing sales tax. Would the minister tell the House, since many manufacturing tax cuts are still going on, whether or not this tax cut is being passed on to the consumer, and could he also tell us who is monitoring it?

Mr. Allmand: Mr. Speaker, the last CPI that was published indicated that the non-foods sector had moderated considerably and that, in fact, there were reductions in the prices of furniture and clothing. This shows that the sales tax cut brought forward by the Minister of Finance is being passed on.

* * *

CONSUMER AFFAIRS

INFLAMMABILITY OF CERTAIN TYPES OF HOUSING INSULATION

Mr. Jim Fleming (York West): Mr. Speaker, my question is also to the Minister of Consumer and Corporate Affairs. A number of news reports recently have indicated that certain types of housing insulation, particularly those made of cellulose, that are advertised as flame-proof or flame-resistant are, in fact, inflammable and highly dangerous.

I would like to know whether the minister or his officials have taken any action to investigate these claims and, if they are true, would he warn Canadians and prompt changes?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, it has been established that certain types of cellulose insulation can be a hazard in the absence of fire-retardant chemicals. We have initiated a program to determine the exact extent of that potential hazard. In addition, I have met with the leaders of the industry producing this cellulose insulation and made my concerns known to them. They are introducing a program to make sure that the hazards are reduced and that the chemical retardant is applied to the insulation.

However, I am waiting for a full report which will be available in a few weeks. In the meantime, I would like to advise consumers that they should be very aware of this fact when purchasing cellulose insulation and try to make sure that it has been treated with fire retardants.

* * *

ADMINISTRATION OF JUSTICE

COMPENSATION FOR PETER TREU—GOVERNMENT POSITION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I would like to direct a couple of questions to the Minister of Justice.

Now that the minister has had several days to think this matter over, has he decided whether or not the government will compensate Dr. Treu for the persecution—not prosecution, but persecution—which he has suffered and upon which the Court of Appeal of Quebec unanimously agreed there was no evidence upon which a conviction should stand?

Hon. Marc Lalonde (Minister of Justice): Mr. Speaker, I answered this question in the House quite clearly several weeks ago. I would refer the right hon. member to my answer. I would have thought that he would have shown more respect for the decision of the courts, including the lower courts, in this matter.

Mr. Diefenbaker: Mr. Speaker, the hon. member talks about respect. I am not going to comment on that except to say this: Was his explanation the fact that if a payment were made to compensate Dr. Treu for the nefarious way in which he was prosecuted, it would mean that many people acquitted would ask the Government of Canada for compensation?

That is the explanation the minister gave. Does he not realize how specious that explanation is, because no one can lay an information, under the circumstances, in connection with security legislation except the government, and no one can prosecute excepting the government; so the responsibility rests right over there?

Some hon. Members: Hear, hear!

Mr. Lalonde: Mr. Speaker, all prosecutions for criminal offences, of whatever nature they may be, are instituted either at the instigation of the attorneys general of the provinces or the Attorney General of Canada.

Mr. Dick: Learn your law; that is not true.

Mr. Lalonde: There is no point in the right hon. member pursuing that kind of specious argument in this respect.

* * *

EMPLOYMENT

OVERPAYMENTS IN CERTAIN JOB CREATION PROGRAMS—GOVERNMENT POSITION ON COLLECTION

Mr. Jake Epp (Provencher): Mr. Speaker, my question is addressed to the Minister of Employment and Immigration. A memorandum from the minister's department indicates that there have been serious overpayments both in the Local Initiatives Program and the Canada Works program.

I would like to ask the minister, what is the policy of his department with regard to these overpayments? Are they being collected? Has he made recommendations to ministers in the cabinet that in fact these moneys should be recovered?

Hon. Bud Cullen (Minister of Employment and Immigration): Mr. Speaker, where there are overpayments the instructions do go out that collection of the overpayments be made from time to time, given the amount of the overpayment. If it is a small sum, in some cases it may be written off. Where there has been a blatant disregard of instructions and advice going out to particular groups, whether it be in the former LIP, Canada Works or, for that matter, Young Canada Works, collection action is pursued.

POSITION OF TREASURY BOARD ON COLLECTING OVERPAYMENTS

Mr. Jake Epp (Provencher): Mr. Speaker, I would like to direct my supplementary question to the President of the Treasury Board. Could he tell the House, in reference to memoranda from his department with regard to overpayments under the Local Initiatives Program and the Canada Works program, whether his department regards those overpayments to be debts due to the Crown and whether or not Treasury Board, is in fact, pursuing the recovery of those debts?

Hon. Judd Buchanan (President of the Treasury Board): Mr. Speaker, I am not familiar with the details. I will be happy to look into the matter and report back to the hon. member.

* * *

FISHERIES

FISHING QUOTAS OFF NOVA SCOTIA COAST—RE-EXAMINATION OF STOCKS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of Fisheries and the Environment.

In view of the concern expressed by Atlantic Canada's fishermen over the arbitrary manner in which fish quotas have been decreased for Canadians in the Sydney bight area off Nova Scotia by some 6,000 metric tons, even though the original quotas had been endorsed by the groundfish advisory committee set up by the minister, and endorsed by the government's own scientists, will the minister undertake to carry out immediately a thorough re-examination of the stocks in this area by placing Canadian scientists on Canadian fishing boats operating in the area—whose services have been offered freely to the government—so that up to date statistical data can be obtained which, hopefully, would resolve the disagreement between the fishermen and the federal government?

• (1450)

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, if the hon. member is asking me, as minister, if I am obliged to accept the recommendations of the advisory committee every time, the answer is no. That advisory committee tends to be dominated by articulate representatives of two or three very large companies in the maritimes.

When I looked at the total landing on the Atlantic coast, I realized that these large offshore trawlers were benefiting from the 200-mile zone, but in fact the allocation for small inshore fishermen would not be adequate to assure them of a reasonable supply of fish for 1979. If the hon. member wants to continue to do what he usually does, which is to advocate policies favourable to only two or three very large companies using very large trawlers, that is his option; it is not mine.

Mr. Crouse: Mr. Speaker, the minister is obviously unaware that there are stocks inshore and there are stocks offshore. We are talking about offshore stocks.

In light of the fact that the minister recently approved additional fishing quotas for the European Economic Community fleet operating within our 200-mile zone, will the minister indicate whether it is his intention to grant similar privileges to Canadians? If so, has he yet developed a policy for encourag-

ing the construction of ice-reinforced ships so they can operate in the northern areas?

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, the hon. member referred to the fishery at Sydney bight. He should know that this fish can be taken in winter by large trawlers, or it can be taken in the summer by small boats off Cape Breton, Quebec, Prince Edward Island, New Brunswick and the Northumberland Strait which his colleague represents. That is his choice. My choice is to protect the fish and fish supplies for the small fisherman who has no alternative and has to fish from very restricted distances.

The hon. member asked if fish is to be allocated to foreign fleets. The answer is yes. Allocation for foreign countries is discussed with our industry. We have a vital interest to protect outside the 200-mile limit. On this matter, he may wish to consult his colleagues from Newfoundland in his caucus. What do we barter? Do we barter protection of our interests outside the 200-mile zone? Certainly not by taking a dog-in-the-manger attitude as far as our zone is concerned.

As for the matter of ice-reinforced vessels, not only do I have a policy but I have authorized one company to go ahead with construction of ice-reinforced trawlers. Two other companies have applied to replace existing old units with ice-reinforced vessels. I hope that when I approve them, a way is found to build these vessels in Canada.

* * *

EMPLOYMENT

HIGH UNEMPLOYMENT AMONG YOUTH DESPITE PROGRAMS TO CREATE JOBS

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I would like to address a question through you to the Minister of Employment and Immigration.

In view of the fact the government is spending over $600 million annually on youth programs, specific and non-specific, almost half of this amount being spent on training programs and the rest being spent on a large number of small-scale programs which make an impressive list but which are of questionable value in reducing youth unemployment, why—despite this significant expenditure—does Canada still have the dubious distinction of having one of the highest levels of youth unemployment of all the industrialized countries in the world? Why is Canada still importing skilled workers when we have thousands of unemployed youth and when we are spending $300 million a year on training young Canadians?

Hon. Bud Cullen (Minister of Employment and Immigration): Mr. Speaker, the hon. member almost misspoke himself. He indicated it is an impressive list. It is an impressive list of assistance that we are giving to the young people of this country. My concern is that we have depended in the past too much on immigration. I have indicated to employers and to provincial governments that we should become more involved in apprenticeship programs.

[Mr. Crouse.]

We have shifted to some extent from institutional training to industrial training in the interests of seeing that young people get on the job training. In instances where individuals are working for a corporation on a particular project that is phased out, and they need on the job training for the new skill which that plant will embark upon, we should be looking for more in-house training. This is an obligation that corporations, unions and governments have. I think we are making a commendable effort in that field but I think there is more to be done.

Mr. Dick: Mr. Speaker, lists do not do the work. Maybe the minister of energy will be able to harness the gaseous energy that has been expounded.

One year ago the minister indicated, with considerable fanfare, the creation of a National Youth Advisory Group which would help him wrestle youth unemployment to the ground. Now that the group has been in place for over one year and has met regularly every two months, which of their recommendations to date does the minister consider to be the most useful, and what action has he taken with respect to those recommendations?

Mr. Cullen: Mr. Speaker, one of the finest recommendations made to me was that we should maintain the choice program, which has now won worldwide recognition and approbation to the point where states in the United States are looking at our choice programs.

The hon. member is still mumbling, but the fact of the matter is that they did suggest that the choice program be retained. It is being retained. It is being placed in 50 different centres across Canada. It is one of the best assistance programs, in my view, that youth will have for vocational training and for information they need about jobs being available and the kind of training required to take on those particular jobs. The National Youth Advisory Group has served young people very well in this country.

* * *

[*Translation*]

STATISTICS CANADA

REQUEST FOR MONTHLY PUBLICATION OF GENERAL WHOLESALE PRICE INDEX—GOVERNMENT POSITION

Mr. Gilles Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the Minister of Industry, Trade and Commerce.

Since the month of December 1978, Statistics Canada has indicated that it would no longer produce the wholesale price index. As several industries based their collective contracts on that index taken on a monthly basis, would the minister be willing to ask Statistics Canada to resume publication of those statistics precisely to allow the industries which already have collective contracts signed on the basis of the wholesale prices index to follow its monthly fluctuations?

[*English*]

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): Mr. Speaker, Statistics Canada has decided to discontinue a number of series of statistics. I believe the wholesale index will be kept up. However, I will make the inquiry to ascertain whether it will be kept up or not.

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INDIAN AFFAIRS

FUNDING OF PROGRAMS FOR TRAINING OF NATIVE TEACHERS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. For a number of years there have been joint federal-provincial funded programs for the training of native teachers at Brandon University. Those programs have produced more than 300 graduates and have been very successful.

Last year the provincial government cut the program by 20 per cent. They propose another cut of 20 per cent this year. Has the minister given consideration to finding money to fund the programs so that they will not be cut back as the provincial government has proposed?

Hon. James Hugh Faulkner (Minister of Indian Affairs and Northern Development): Mr. Speaker, I share with the hon. member his assessment of that program. It has been a very good one. I very much regret the reduction in the funding level. I am not sure I am in a position, because of the restraint program here, to supplement it, but I will certainly look into the matter.

* * *

CONSUMER AFFAIRS

INCREASE IN PRICE OF LUMBER—REQUEST MINISTER INVESTIGATE CAUSE

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. It has to do with the drastic increase in the price of lumber, which has been in excess of 20 per cent recently. I am also fully aware that the minister has been presented with this problem before. However, in view of the seriousness of the situation and lack of government action, what plans has the minister to investigate the root causes of this problem?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, in answer to an earlier question in this House, I had the matter investigated by the director of investigations under the combines act. Since the answer was a complex and lengthy one, I sent it to the hon. member opposite in the form of a letter. If it would help the House, I would be quite willing to table the letter which contains the answer to this question, so that all members of the House can examine it.

Lapel Pins

Mr. Scott (Victoria-Haliburton): Mr. Speaker, every day I am contacted by people from the woodworking industry as well as by those in the home construction industry. They tell me they are forced to close down their business operations. Is the minister aware of the jobs being lost in this industry? What immediate proposal does he have to take care of this problem?

● (1500)

Mr. Allmand: Mr. Speaker, my information is to the contrary, that there are many jobs opening up in the wood and lumber industry. As a matter of fact, the high prices that were found with respect to lumber near the end of last year and the beginning of this year have reached their peak and are beginning to decline.

* * *

[*Translation*]

OFFICIAL LANGUAGES

REQUEST FOR ESTABLISHMENT OF JOINT COMMITTEE TO STUDY COMMISSIONER'S REPORT—GOVERNMENT POSITION

Mr. Serge Joyal (Maisonneuve-Rosemont): Mr. Speaker, my question is directed to the President of the Privy Council. As on March 5 he tabled a motion to create a joint committee of the Senate and House of Commons to consider the annual report of the Commissioner of Official Languages, and as in 1976 and 1977 the Leader of the Official Opposition often called for the appointment of such a committee, can the President of the Privy Council tell the House whether he has had talks with the Leader of the Official Opposition and other representatives of the parties in the House with a view to getting unanimous consent for this motion and getting this joint committee appointed this very week?

[*English*]

Hon. Allan J. MacEachen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I have not had discussions with representatives of the parties with regard to passing the reference. I should explain that the reason for that is we have asked the President of the Treasury Board to prepare some additional material that would be of assistance to the committee when it begins its examination of Mr. Yalden's report. As soon as that material is prepared and ready, we will move the reference and get the committee into operation, because we believe this is an appropriate subject for parliamentary consideration.

* * *

HOUSE OF COMMONS

ISSUANCE OF LAPEL PINS TO MEMBERS OF PARLIAMENT

Mr. Speaker: I would like to borrow for just a moment from the time of the House to reflect on an activity that was undertaken and given considerable study by our Standing

Committee on Management and Members Services. It relates to the bringing into existence of a lapel pin to be given to an elected member of the House of Commons. I have the first of such pins here with me.

For some time we have been aware that other parliaments have had an identifying emblem of some sort given to those who have had the honour to serve their fellow citizens in an elected capacity in the national legislature of their country. We have not done so.

Some time ago this committee, under the chairmanship of the hon. member for Cumberland-Colchester North (Mr. Coates) and the vice-chairmanship of the hon. member for Quebec East (Mr. Duquet), commissioned a subcommittee to study the matter. The work of that subcommittee resulted in a recommendation which in fact was carried forward in consultation with me to bring this lapel pin into existence. I should mention that the subcommittee was headed by a very distinguished and senior member of the House, a former Speaker of the House of Commons, the hon. member for Edmonton West (Mr. Lambert).

Some hon. Members: Hear, hear!

Mr. Speaker: This is a milestone in Canadian parliamentary history, that recognition is being given to those who serve in this House of Commons. They ought at least to have some emblem they can carry, one that they have been able to earn and which is received only by election to this House of Commons of Canada as a recognition of all that that entails and the serious responsibility that goes with it. I want to congratulate and thank the members of the committee for their excellent work.

I might say that this identifying pin for elected members of this House is in conjunction with a program that is still under study and being perfected in some detail. It will likely be put before the House for approval in the next parliament. That program relates to a further identification of other personnel in the House in the security context. I do not want to cast this pin in the security context, although it has an incidental relationship to security. This is an emblem of election to the House of Commons.

It gives me great pleasure to ask four members, representing each of the four parties of the House, to come forward now and receive one of these pins: the right hon. Prime Minister (Mr. Trudeau), the hon. Leader of the Opposition (Mr. Clark), the hon. member for Winnipeg North Centre (Mr. Knowles) and the hon. member for Roberval (Mr. Gauthier).

Some hon. Members: Hear, hear!

Mr. Speaker: I want to assure hon. members that the number which appears on the back of the pin has nothing to do with their social insurance number! I will be arranging, I hope soon, a presentation to the other members. I will inform hon. members about that as soon as I possibly can.

I will now move on to one or two more contentious matters.

[Mr. Speaker.]

PRIVILEGE

MR. YEWCHUK—RESPONSE OF MINISTER OF NATIONAL HEALTH AND WELFARE DURING QUESTION PERIOD

Mr. Speaker: Yesterday the hon. member for Athabasca (Mr. Yewchuk) raised as a question of privilege some remarks that had been made by the Minister of National Health and Welfare (Miss Bégin) during the course of the question period. The contention of the hon. member for Athabasca was that, in answering his first question yesterday in the question period, the minister had said that the hon. member was acting in the capacity of a lobbyist. I indicated after argument that I would review the remarks of the Minister of National Health and Welfare.

I did review those remarks after I listened to argument on the question. Here is the full quote by the minister at the time as it appears in yesterday's *Hansard*:

> Mr. Speaker, since the hon. member is of the profession, he may be naturally asked by his friends to be a lobbyist in the House in favour of higher fees for medical doctors.

The fact that the hon. member may be asked by his friends to carry out a certain function surely is not in any way unparliamentary, nor does not in any way carry with it an allegation of an unparliamentary activity. I do not decide now and I do not think I have to decide. Had the minister gone on to accuse the member or any other member of being a lobbyist in fact, which is a sort of paid or hired position, I do not know whether that would be unparliamentary in nature. In fact, I am relieved of that responsibility because the language used by the minister, and it was my recollection that was so, had indicated that the hon. member may be asked by his friends to carry out that function. It did not go on to say that the member was in fact doing so. In the circumstances, I would find that falls short of anything unparliamentary.

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I am not in any way reflecting on your decision, but I want to point out that I have a copy of the blues as they originally appeared and they do differ from the statement which is reported in yesterday's *Hansard*. I think the difference is one of some significance. The original blues read, "Mr. Speaker, the hon. member is of the medical profession. Naturally he is asked by his friends to be a lobbyist," as opposed to the report in *Hansard* which says "he may be naturally asked by his friends to be a lobbyist".

We should consider that in conjunction with article 324 on page 114 of Beauchesne's fifth edition, which states that, in order to decide whether there is a question of privilege or not, much depends on the tone and the manner and the intention of the person speaking. It seems that the changes which were made are significant because they appear to be designed to soften up the intent of what she had originally said.

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, if the hon. member who just spoke is inferring that I changed, corrected or amended the blues, he is wrong. I would like an explanation to be given to this House by him or by you, sir. If the blues—which are actually green—

which the hon. member has in his hand are not those which I received from the *Hansard* office to which I did not make corrections, as far as I remember, I would like Your Honour to check whether the hon. member's copies are from a later stage of printing. Those changes did not come from me.

Mr. Speaker: Order, please. The hon. member has raised a matter regarding the accuracy of the record of *Hansard*. I will certainly conduct a full inquiry into the manner in which this has been brought about and give the House a report on that investigation.

In addition, there was a rather extensive point of order yesterday related to a matter which was before the House as an order of the day. I will be dealing with that when orders of the day are called later.

* * *

● (1510)

POINT OF ORDER

MR. HERBERT—USE OF INITIALS REPRESENTING UNPARLIAMENTARY LANGUAGE

Mr. Hal Herbert (Parliamentary Secretary to Minister of Public Works and Minister of State for Urban Affairs): Mr. Speaker, I thought you might be reporting on a point of order I raised yesterday in a somewhat light vein concerning the use of initials to represent two words which were considered two weeks ago to be unparliamentary. Can I assume, since this matter was taken under advisement yesterday, that we shall be hearing further as to whether the use of initials when they are a substitute for words which are considered unparliamentary is permissible?

Mr. Speaker: The hon. member raises a problem which is very interesting for the Chair, at least in a generic sense. The occupant of the chair at the time this matter was raised was the hon. member for London East (Mr. Turner). I know he is taking this matter very seriously and that he has it under consideration. I would think that on an appropriate occasion he would wish to carry the matter further forward with a judgment on his own part.

ROUTINE PROCEEDINGS

[*English*]

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

PRESENTATION OF SIXTH REPORT OF STANDING JOINT COMMITTEE

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have the honour to present the sixth report of the Joint Standing Committee on Regulations and Other Statutory Instruments. It deals with the continuing method used by the government in the establishment of postal rates.

* * *

CANADA ELECTIONS ACT

AMENDMENT TO LIMIT ELECTION EXPENSE PERIOD OF BY-ELECTIONS

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo) moved for leave to introduce Bill C-467, to amend the Canada Elections Act (by-elections preceding redistribution).

He said: Mr. Speaker, the purpose of this bill is to define a 58-day period for the calculation of election expenses during a by-election in order to ensure that by-election candidates are placed on the same footing as candidates in a general election.

In introducing the bill I wish to acknowledge with thanks the contribution made in researching and drafting by five political science students from Professor John McMenemy's class at Wilfrid Laurier University of Waterloo.

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

* * *

PETITION

REQUEST FOR IMPROVEMENTS IN RETIREMENT BENEFITS FOR SENIOR CITIZENS

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the table the third report of the Clerk of Petitions stating that he has examined the petition presented by the hon. member for Winnipeg North Centre (Mr. Knowles) and finds that it meets the requirements of the Standing Orders as to form.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Roger Young (Parliamentary Secretary to Solicitor General): Mr. Speaker, the following questions will be answered today: Nos. 320, 570 and 1,154.

I wonder if I might point out that one of those answers is in response to a question noted by the hon. member for Moncton (Mr. Jones) yesterday and that another is in response to a specific matter noted by the hon. member for Leeds (Mr. Cossitt) a short while ago.

[*Text*]

CAUSEWAY BETWEEN MONCTON AND RIVERVIEW, N.B.

Question No. 320—**Mr. Jones:**

1. Who prepared the federal study regarding the causeway between Moncton, New Brunswick and Riverview, New Brunswick? When?

2. Did such a study consider the possibility of silting?

3. How much assistance was provided for the construction of the said causeway?

4. Have federal authorities caused a study to be made as a result of the silting problem caused by the construction of the said causeway?

5. What liability does the federal government assume as a result of the silting problem in the Petitcodiac River in Moncton, New Brunswick (formerly a navigable river)?

Mr. Donald Wood (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows:

1. Canada Department of Agriculture and the Maritime Marshland Rehabilitation Administration, Amherst, N.S.—"Petitcodiac River Causeway Survey Report" dated March 30, 1961.

2. Yes. Hydraulics laboratory experiments and measured periodic observations of causeway structures constructed under the Maritime Marshland Rehabilitation Act indicated that silting would take place.

3. By agreement dated March 23, 1965 between Canada (Minister of Forestry) and the province of New Brunswick (Minister of Public Works) Canada agreed to contribute $800,000 in the form of a grant towards the construction of the causeway. The total estimated cost of the causeway was $3,000,000. Canada also provided the design, engineering and construction supervision. The construction contract was signed between Modern Construction Limited of Moncton, N.B. and the province of New Brunswick (Department of Public Works).

4. In 1969 cross-sections of the river were taken and observations on the silt build-up were also made by taking aerial photographs. The sewer outfalls were also checked periodically.

5. By agreement dated March 31, 1966 between Canada and the province of New Brunswick, the province assumed responsibility for the operation and maintenance of all works undertaken under the Maritime Marshland Rehabilitation Act, effective April 1, 1970.

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT—SPEECHES BY MINISTER

Question No. 570—**Mr. Cossitt:**

1. Since becoming a member of the Cabinet, how many speeches did the Minister of Indian Affairs and Northern Development have printed at public expense and distributed to various persons (a) to how many persons was each distributed (b) what was the approximate cost of each distribution (c) what is the total estimated cost to date of all distributions that have taken place?

2. In how many cases were the speeches written by a person other than an employee of the Minister's Office and, in each case what was the (a) cost involved (b) date and the place the speech was delivered (c) total figure paid for all speeches written?

Hon. James Hugh Faulkner (Minister of Indian Affairs and Northern Development):

1. 27

(1) January 20, 1978—Opening Session of the N.W.T. Council

[Mr. Jones.]

(a) 583

(b) $1,081.91

(2) February 14, 1978—House of Commons

Second Reading of Northern Pipeline Act

(a) 583

(b) $740.24

(3) May 4, 1978—Economic Prospects

N.W.T. Conference, Hay River

(a) 583

(b) $407.53

(4) October 12, 1977—Cat Lake, Ont.

(a) 1,250

(b) records unavailable

(5) February 2, 1978—Moose Factory

(a) 925

(b) records unavailable

(6) March 2, 1978, Vancouver, B.C.

(a) 90

(b) records unavailable

(7) August 31, 1978—Fredericton, N.B.

(a) 2,800

(b) $442.04

(8) November 15, 1978—Regina, Sask.

(a) 2,200

(b) $459.07

(9) October 31, 1978—Sachs Harbour, N.W.T.

Cope signing

(a) 2,700 approximately

(b) $155.

(10) October 27, 1978—Ottawa, Manitoba Treaty Land Entitlements

(a) 600 approximately

(b) $90.

(11) January 31, 1978—Quebec City,

Naskapi of Schefferville signing of final agreement

(a) 2,700 approximately

(b) $125.

(12) January 30, 1978—Ottawa,

B.C. Cut-Offs

(a) 2,700 approximately

(b) $155.

(13) December 14, 1977—Inuit Tapirisat of Canada—presentation of claim

(a) 2,700 approximately

(b) $125.

(14) November 22, 1977—Ottawa,

Naskapi-Montagnais Inuit Association

(a) 2,700 approximately

(b) $155.

(15) October 31, 1977—Ottawa

James Bay Agreement

(a) 2,700 approximately

(b) $685.

(16) September 28, 1977—Metis Association of N.W.T.

(a) 2,700

(b) $155.

(17) February 6, 1978—Pukaskwa Agreement, Marathon, Ontario.

(a) 3,060

(b) $428.40

(18) February 23, 1978—Peterborough

Land Purchase

(a) 25

(b) $31.25

(19) June 30, 1978—Montreal

Opening of Bicycle Path

(a) 250

(b) $35.

(20) July 29, 1978—Opening of Gros Morne Visitors Centre

(a) 20

(b) $2.80

(21) July 30, 1978—Opening of Signal Hill Exhibit

(a) 20

(b) $2.80

(22) August 5, 1978—Opening of Fort St. Joseph Visitors' Centre

(a) 25

(b) $31.25

(23) September 22, 1978—Wild Rivers Seminar, Jasper

(a) 200

(b) $22.

(24) October 9, 1978—Conference on National Parks, Banff

(a) 3,260

(b) $1,514.

(25) October 18, 1977—Queen's Visit

(a) 2,180

(b) $68.60

(26) November 15, 1977—Industry Association, N.W.T.

Point of Order—Mr. Hnatyshyn

(a) 305

(b) $31.10

(27) December 2, 1977—N.W.T. Chamber of Mines

(a) 845

(b) $41.90

(c) $6,984.89.

The above covers the cost of printing and local by-hand advance distribution.

Records were unavailable for three of the above speeches.

2. None.

All speeches were prepared internally, by departmental employees.

ASSISTANCE TO CANADIAN FIRMS BY FOREIGN COUNTRIES

Question No. 1,154—**Mr. Jones:**

1. What are the restrictions, if any, on foreign countries giving assistance to Canadian firms?

2. Does the above rule apply to all foreign countries and if not, please state why?

Mr. Louis Duclos (Parliamentary Secretary to Secretary of State for External Affairs): In so far as the Department of External Affairs is concerned, the reply is as follows:

1 and 2. There are no restrictions on foreign countries providing assistance to Canadian firms. Should such assistance result in obtaining control of a Canadian firm, the transaction would become subject to the terms of the Foreign Investment Review Act.

[*English*]

Mr. Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

* * *

POINT OF ORDER

MR. HNATYSHYN—DELAY IN ANSWERING QUESTIONS 207 AND 208

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I rise on a point of order because the statement that was made by the parliamentary secretary encourages me to ask him specifically about two very important questions which remain unanswered since the beginning of the session, notwithstanding the fact that on previous occasions I have brought this matter to the attention of the Parliamentary Secretary to Deputy Prime Minister and President of Privy Council (Mr. Pinard). Today, I want to bring it very strongly to the attention of the Parliamentary Secretary to the Solicitor General (Mr. Young) in the hope that, just as he has responded to the hon. member for Moncton (Mr. Jones) who made representations to him with regard to certain questions yesterday, he will

see that the answers to these questions of mine are provided. I refer specifically to questions Nos. 207 and 208 in my name dated October 16.

We all know that an election cannot be far away and these two questions have a certain importance as far as I am concerned with respect to the use of aircraft in the course of election campaigns. I will refresh the memory of the parliamentary secretary with respect to my questions. The first reads as follows:

Has the Liberal party of Canada paid for the use of any government aircraft in the period August 16 to October 16, 1978 in connection with the by-elections held on October 16, 1978, and, if so, in what amount for each trip?

The second question reads:

Did the Prime Minister or members of the Cabinet, during the period August 16 to October 16, 1978, make use of government aircraft and, if so, what was the total cost and what was the destination on each occasion?

Parliament has passed an elections act. I suggest the failure on the part of the government to answer these questions raises serious doubts in the minds of the public as to whether the government is acting in conformity with the spirit of that legislation or whether they are smuggling in expenses incurred on election campaigns and spending taxpayers' money for their own purposes. The information I am seeking is available on a daily basis in the Department of Transport. My hon. friend from Prince Edward-Hastings (Mr. Hees) has pointed this out. The longer this information is refused, the more suspicious people will get. If ministers have any courage at all they will answer these questions tomorrow in the same way as the parliamentary secretary has answered the hon. member for Moncton. I challenge the hon. gentleman to do his job and to show us how questions can be answered in this House.

Mr. Leonard C. Jones (Moncton): Mr. Speaker, I do not propose to make a speech. I just want to thank the parliamentary secretary for letting me have the answers to those questions. I wish he would let me have the answers to the other 33 tomorrow or the next day.

Mr. Roger Young (Parliamentary Secretary to Solicitor General): I am sure the hon. member understands I am doing this on a part-time basis to assist my colleague who is rather ill today and could not be here. I should like to enjoy the success of providing answers to questions which hon. members are looking for. Some of those answers will, I am sure, surprise them.

GOVERNMENT ORDERS

[*English*]

ENERGY SUPPLIES EMERGENCY ACT, 1979

MEASURES TO CONSERVE STOCKS

The House resumed from Monday, March 12, consideration of Bill C-42, to provide a means to conserve the supplies of energy within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada, as reported (with amendments) from the Standing Committee on National Resources and Public Works, and Motion No. 1 (Mr. Gillespie).

[Mr. Hnatyshyn.]

Mr. Speaker: Yesterday, a point of order was raised with regard to the procedural regulatory of motion No. 1 at the report stage of Bill C-42. That point of order was supported by several arguments. It was contended that the motion was out of order because it introduced into the bill a new concept by giving the board created by Bill C-42 a role in monitoring the international petroleum supply situation. The argument was that this was a new role for the board, that it caused the board to do things entirely separate from its original capacity under Bill C-42, and, therefore, that it was out of order on that ground.

It was also argued that if the first amendment was in order because the function of monitoring petroleum supplies is incidental to the function of the board in regulating an emergency situation for petroleum, the additional concept of responsibility to be given by the minister in that regard to Petro-Canada was a new concept and ought not to be part of an amendment to a bill at this stage.

● (1520)

I considered most of those arguments yesterday. There was an argument that because these amendments had not been put forward in previous stages of the bill, they could not be put forward at the report stage, and I set that aside yesterday.

I also found yesterday that the function of monitoring international petroleum supplies seemed, at least to me, to be sufficiently incidental to the role of the board in these circumstances and that on procedural grounds I could not consider that the amendment related to the function.

Whether those arguments form a part of the substance of the debate once it begins is not for me to decide. I have to decide whether the amendment is out of order, and if the amendment were out of order on that basis, I think the function would have to be so unrelated as to be clearly a new concept introduced into the bill at this stage. It is a separate role from that which is set up in Bill C-42, but I cannot find that it is an unrelated function. Therefore, I cannot find that the amendment is out of order on that ground.

This leaves me with the matter of the procedural capacity of an amendment to introduce into this bill a role for Petro-Canada, and I said I would give serious consideration to that argument, which was put forward by the hon. member for Calgary Centre (Mr. Andre). I have done so.

What gave me concern on the face of it—and the hon. member for Calgary Centre as well and others who participated in the discussion—was, of course, the precedents which relate to procedural difficulties where an amendment to this bill would in effect reach behind this bill and attempt to amend another statute. I have, first of all, some guidance from

the precedents as to what extent I should concern myself with that problem, because there is a considerable body of argument which states that the Chair ought not to concern itself with what may in effect require an amendment of another statute or may incidentally amend another statute or may even in fact be in conflict with the provisions of another statute. That is not the decision of the Chair because that requires a legal interpretation.

Here I want to refer the House to a precedent in *Hansard* of May 6 of 1969 by my predecessor at that time who said the following:

I think there is a substantial difference between a proposed amendment that obviously seeks directly to amend the original legislation and one that, by way of consequence, might require amendments which, as is in this case, are not of a substantive nature.

In other words, that is an expression of the proposition that the Chair obviously must be on guard to the situation where the reference to the other statute of Petro-Canada would be clearly in terms of an attempt to amend that statute by adding a clause or things of that nature, or in fact by amending the statute itself in explicit language to attempt to do so.

That is one thing. It is rather a second question for the Chair to take one step further and to listen to the argument that, if this clause is put before the House and passed, it will have the incidental effect of amending another statute or requiring an amendment to another statute to be effective. That may be so, but that is essentially a legal question which is really not an area the Chair should get into in matters of this sort. For that proposition again I refer to a 1969 precedent by Mr. Speaker Lamoureux reported at page 7969 of *Hansard*.

My feeling, however, is that the Chair should not be placed in a position where the Speaker has to rule on legal points. The tradition and background of the position of the Chair is that the Speaker should rule only on procedural matters.

It therefore ought not to be for the Chair now to look at the Petro-Canada statute and decide whether the statute gives to Petro-Canada the power that the minister seeks to give it in this statute by way of this amendment. However, I am at least somewhat affected by the language in section 3 of that statute which is entitled "Purpose of the Act" and reads in part as follows:

The purpose of this Act is to establish within the energy industries in Canada a Crown owned company with authority to explore for hydro-carbon deposits—

And here is the significant language:

—to negotiate for and acquire petroleum and petroleum products from abroad to assure a continuity of supply for the needs of Canada—

Therefore, I think on balance I have to conclude that, with the role which is assigned to me to look at this matter on procedural grounds, I would have to be examining a situation where there was in clear language an attempt to add a clause to that statute or, by its very own language, to amend that statute, whereas here there is simply a use of the corporation created by that statute. I think it is not for the Chair to go beyond the procedural responsibility I have and try to make a legal interpretation as to whether that can or should be done, or whether it is going to be in conflict with other legislative provisions. I have to decide whether it so introduces a new concept into this statute that it goes beyond the regulations, precedents and practices that we have governing amendments to legislation.

On the whole I have to find, after listening to arguments on both sides, that I am left in some uncertainty and doubt about whether that point has been established, and I think in these circumstances I ought to resolve the doubt in favour of keeping the matter before the House so that the House will debate it, discuss it and vote upon it. In other words, I ought only to take away from the House the right to discuss measures if I am absolutely convinced that they are out of order. In this case I am left in some doubt, and therefore I think I have to resolve that doubt by having the House deal with the matter.

Therefore, on procedural grounds I see no basis upon which I ought to interrupt the putting of the motion. I believe the motion has been formally put. Is it the pleasure of the House to adopt the said motion?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, I would like just briefly to go over some of the background to this amendment and to put before the House some of the events which I think make this amendment important, extremely relevant and urgent at this time.

Hon. members will recall, as we got into the second reading debate, some of the events which led the government to bring this particular bill before the House. I refer, of course, to the revolution in Iran, the cessation of oil production in Iran, the reduction of world supplies by close to six million barrels a day and the absolute economic and energy paralysis of the world's second largest oil producer and exporter.

Those events in Iran created a ripple effect around the world. It was not very long before those events in Iran were felt on the east coast of Canada. Hon. members are familiar with the fact that there were cutbacks, that a number of Canadian refiners had been dependent upon Iranian supplies, that Iranian supplies amounted to close to 100,000 barrels a day, roughly 20 per cent of Canadian import needs, and that a large part of eastern Canada, sometimes described as one third of Canada—the Atlantic provinces and a substantial part of the Quebec market—was completely dependent upon foreign supplies. Cutbacks began to occur. Reallocations started to be made between the supply companies which were providing oil to eastern refineries.

Hon. members will also be familiar with the fact that the Exxon Corporation, in allocating to its subsidiary in Canada, Imperial Oil, went overboard. It was proposing a diversion of supplies equivalent to about 25 per cent of the imports of Imperial Oil into Canada. It should also be noted that Imperial Oil's almost exclusive source—not completely but almost exclusive source—has been Venezuela. Let it also be noted that Venezuela has been our most reliable and largest supplier of imported crude oil for the longest time, some 40 to 50 years, without any interruption of supply. Let it also be noted that in early January the Venezuelan government gave a commitment to me that it wished to continue to do business with Canada

and to supply Canada, its second most important customer, with 200,000 barrels a day. They also wished, so far as possible, to deal directly with importers in Canada rather than through third parties or the Exxon Corporation.

● (1530)

For those two reasons—the reason that Venezuela had given in the sense of assurances for a continuing supply to Canada, and the fact that Imperial Oil was virtually exclusively sourcing from Venezuela—we had reason to believe that Canada and that particular company would have been helped on this in the event of the kinds of reallocations that were taking place as the result of the events in Iran. The effect was not a cutback on any pro rata basis within the Exxon Corporation. What Exxon had proposed to Imperial was an entirely different formula. They had intervened with their own arrangements which clearly undercut the security of supply for Canada.

As a matter of policy, the Canadian government has been trying to increase the security of supply for Canada by sourcing in the western hemisphere. That was the reason for my trip to Venezuela and my trip to Mexico as well. The Mexicans equally were forthcoming. They too said they wanted to deal with Canada, and they too said they wanted to give preference to Canada, a western hemisphere neighbour. They too said they wanted to deal directly, and they gave us an undertaking to supply Canada with 100,000 barrels a day of crude starting in late 1980 or early 1981.

Those two undertakings—the Venezuelan undertaking and the Mexican undertaking—can shift our dependence away from the Middle East in a signficant way. They can increase the security of supply for Canada in a dramatic way from something like 40 per cent in the western hemisphere to 60 per cent in the western hemisphere; or, to put it another way, they can reduce our dependence on Middle Eastern and eastern hemisphere sources from 60 per cent to 40 per cent, and do that within a relatively short space of time.

Since this bill was introduced, a number of other events have occurred which have added a sense of urgency to the situation at present. I am talking about the fact that while the Iranian government has stated it will be resuming oil production, it has not indicated it will get up to anything like full production. The Iranians have stated they may be able to get up to one half of their original production levels, and that is obviously something which we can greet with some enthusiasm and encouragement, but it still leaves a significant shortfall of some three million barrels a day. In other words, there will be smaller volumes from Iran for some time.

There are also going to be, as a result of the policy in Iran, higher prices. The new regime there has indicated they will charge everything the traffic will bear. They have indicated they will auction to the highest price. They have stated they will look for $5 and even $10 per barrel premiums, and their statement and this shortage are creating an uneasiness in some of the other suppliers, because they too are faced with political pressures at home and they too are having to answer to their constituents why they should sell for less if Iran can get more.

[Mr. Gillespie.]

So we have seen a series of events in the Persian Gulf. Countries have been raising prices and announcing increases in prices. We have seen as well the action of the Libyan government which has not only raised prices but has stated it will cut production. These are recent events, not altogether unpredictable but events that have occurred since the introduction of this bill.

At the same time, we have witnessed the increasing isolation of Saudi Arabia. The events in Iran have created an entirely different situation in the Middle East. We have seen the kind of expeditions that have been launched in South Yemen and North Yemen that have been described as border disputes, but these two states are on the southern border of Saudi Arabia. One of the states is described as a Soviet satellite run by a Marxist government in an increasingly Marxist area of the world. I am referring, of course, to the borders of Afghanistan and to the element which has been developing within Iran itself. And there are all of the additional tensions that have been created there.

We have also seen, to our regret and disappointment, the inability of Mr. Carter, President of the United States, to bring a degree of stability and understanding between two of the main combatants, two of the main states of the Middle East, Israel and Egypt, to the bargaining table. The events in Iran have not helped because the government of Iran has stated it would no longer continue the policy of the shah to supply oil to Israel.

I think I have said enough to indicate that the events in the Middle East are less stable today than they were even a few weeks ago when this bill was first addressed at second reading. I should like to say that perhaps in two weeks' time the situation will be better, but I would be a foolish man if I were to predict that degree of improvement.

The other question that has arisen since this bill was introduced is how a shortfall might be allocated. The International Energy Agency of which Canada is a member by treaty has agreed to joint action which would reduce world demand by two million barrels a day, roughly 5 per cent of the consumption of the IEA countries. That 5 per cent figure is very close to the 7 per cent figure which is the figure which will trigger our treaty obligations and the need for this bill, the mandatory allocation of crude oil, the mandatory allocation of products and possibly the introduction of a rationing scheme.

I emphasized two things in these remarks, the fact that the IEA is closer than it has ever been since its inception to dealing with the very reason that it was created, and the fact that the process of allocating international crude and crude movements will be undertaken and influenced to a large extent by multinational corporations, by the internationals themselves.

In the debate yesterday on whether or not this motion was in order there was some discussion about this. The energy critic of the Conservative party put it on the record that the International Energy Agency was set up with a standing group on emergency questions and he indicated that the standing group will be composed of one or more representatives of the govern-

ment of each participating country. I am referring to article 54 of the institutional and general provisions of the International Energy Agency.

• (1540)

The amendment which has been introduced would name Petro-Canada to the standing group on emergency questions. It is the senior operative executive committee concerned with the implementation of the emergency oil-sharing arrangement. We believe that Petro-Canada's nomination as one of the Canadian government representatives is appropriate entirely, and more than that, it is essential in light of the manner in which the international allocation process will be undertaken.

It is quite clear from the institutional structure of the organization that international companies will play a major role, both in an advisory manner and in an implementing manner. Therefore, it is all the more important for Canada that Petro-Canada represent the interests of Canadians in the highest executive committee, the standing group on emergency questions, not just to advise Canada and other Canadian representatives who might be present, but to maintain a watchdog influence respecting the implementation process to ensure Canada is dealt with in a fair manner.

I would not want to suggest that other countries will not live up to their treaty obligations in the event we are faced collectively with our obligation under the international energy agency oil-sharing agreement of 7 per cent. But there is the possibility some countries will try to take advantage of the situation and will try to over-protect their own interests in a manner which could be harmful to Canada. Also it is quite possible that those countries might be served by their own international companies. It does not take any great imagination to see that an international oil corporation, which will be involved in this very difficult implementation process, could favour some countries to the disadvantage of others. Also it is well known that Canada does not have any international company which might be able to look out for Canada's interests. It is for that reason I believe the addition of Petro-Canada to the standing group on emergency questions is important.

I believe the events with Imperial and Exxon have demonstrated that we will have to depend increasingly upon ourselves to solve our own problems.

Mr. Symes: Tell us about this morning. What happened this morning?

Mr. Gillespie: The hon. member opposite is asking what happened this morning. He is referring to the meeting I had with the president of Imperial Oil, at which meeting the president advised me that the chairman of Exxon Corporation was not prepared for the Canadian subsidiary to be permitted to negotiate and buy directly or contract directly with Petroleos de Venezuela, the national oil company of Venezuela. As a result of that disappointing information I took action with Petro-Canada to open negotiations immediately with the Venezuelan national oil company.

Some hon. Members: Hear, hear!

Mr. Gillespie: It was with a view to obtaining 100,000 barrels a day, which is the level of imports Imperial Oil has been sourcing to Exxon Corporation.

Some hon. Members: Hear, hear!

Mr. Gillespie: For these reasons I believe the House should deal with this particular amendment in an expeditious and favourable manner.

Some hon. Members: Hear, hear!

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I must say most of us in the House, at least on this side, were rather disappointed at the rather lacklustre and fragmentary exposition of the problems we in Canada face today as a result of the lack of a meaningful national policy on energy, oil and gas in the country over the last ten years.

Some hon. Members: Oh, oh!

An hon. Member: Be serious.

Mr. Lawrence: The clear import of what the minister said, in regard to any potential crisis we may have in the country respecting energy supply, is that he has absolutely no policy whatsoever except to lean heavily on a state-owned but not necessarily state-controlled oil company to bail him out of his oil supply problems. When the minister indicated that Exxon, the parent company of Imperial Oil, went overboard in regard to its attempted cutbacks respecting its Canadian subsidiary, Imperial Oil, I must say I agree with him. I do not think there is any question about that.

In the complex marketing, purchasing, wholesaling and distribution set-up of the oil and gas industry in the country, I fail to see how the imposition of one large state-run oil company in that complicated chain of events will be any improvement whatsoever over the efforts, and sometimes unsuccessful efforts in our interest, of a large multinatinal oil company. To my mind, all the minister is doing is substituting big government for a big company. There are many, many other reasonable, sensible and meaningful alternatives than that. If that is the best the minister can come up with, I am sure all he is doing is assisting the control and supervision of many of these matters by a state-run oil company. There are other alternatives in the Canadian interest using Canadian-run companies. There are Canadian companies which can do the job.

An hon. Member: Name them.

Mr. Lawrence: If there are not, whose fault is it if it is not the fault of the government? What has this particular government done over the last ten years to develop and promote smaller Canadian companies in the resource field? Absolutely nothing. The tax situation, the development situation and the promotion situation over the last ten years have been simply that. Certainly there have been bona fide efforts by some

provincial governments in the resource field to do exactly that. As a matter of fact, in the exploration and drilling sectors of the industry at the moment there is a growing control of exploration for oil and gas in the country by smaller Canadian-owned, controlled and managed companies. There are many, but they are not there because of the atmosphere generated by the government; they are there in spite of the atmosphere generated by the government.

Of course, the minister's actions regarding Exxon have nothing to do with any political consideration by the minister whatsoever, none whatsoever. It is just a coincidence that the minister is waking from his lethargy respecting oil problems in the country because there is an election around the corner. It has nothing to do with the electoral ambitions of the minister whatsoever. The fact he is setting Exxon up as the bogey respecting this entire matter and that this is merely a crass political move of huffery and puffery respecting Exxon obviously have nothing whatsoever to do with the election.

● (1550)

I suggest to you, Mr. Speaker, that they have everything to do with the elections. What he is attempting to do is set himself up as the Canadian white knight on a charger that is going full blast at that windmill called the multinational company, Exxon. Of course, this is not only ridiculous, it is almost patently dishonest, because if the minister was not aware that Imperial Oil bought its Venezuelan crude through its parent company long before the date he said he first learned of it in January, he should have known it. I suggest he did know it earlier than January, but again he has done nothing about it for years. Now he is leaning on the state-owned oil company in this country to get us out of the problem. I suggest that is no answer to the problem whatsoever, but again that it is a crass political move on the part of the minister. He is setting up his own straw men so he can knock them down, again with his own straw company, and that is no better an answer by any means.

The minister says it is a matter of government policy, his policy, that he is attempting to source most of the Canadian crude that, unfortunately, we need in this country in the western hemisphere. I suggest to him that a far better move by him, and better worth-while action by him, instead of attempting to shift the burden of Canadian needs from one offshore company and one offshore country like Iran into a state run company, and other foreign countries like Venezuela and Mexico, would be to spend half the effort, half the time and half of the taxpayers' money he is wasting on these other efforts in an attempt to make sure that Canadian energy needs are met by Canadian energy supplies. In that way we would be far better off.

The minister says, quite rightly, that we have been dependent for 60 per cent of our offshore crude on Middle East sources. Now, wonder of wonders, he is going to change all this and make us, instead of dependent on that source, dependent on Venezuelan and Mexican crude. To me that again is another crutch, and we should not be leaning on that type of thing.

In this country of all countries we can, if we only had decent and meaningful national energy policies, produce our own oil supplies, our own gas supplies, our own hydro and our own nuclear supplies. We can do that ourselves. All we need is some faith in ourselves and a government that will produce the tax policies for that type of development, not only for producing these supplies, but as well for developing decent delivery systems across this country. In this way there should be no impending crisis in the Atlantic provinces next fall and winter, a crisis which the negligence of this government, and no other, will have brought about.

In respect of price the minister now says what a terrible thing it is for Canada, because with the Iranian revolution the new rulers of Iran, whom he misguidedly labels as Marxists, are going to try to charge the highest price the traffic can bear. Those are his words of just a few moments ago. He may be perfectly right, and I think he is right. I can see no way at all that there is not going to be at least another 15 per cent increase in international, world crude oil prices by September 1. What is his answer to that? His answer is: We are going to try to move things so we are not dependent on bad old Iran or on increasingly isolated Saudi Arabia. His answer is to again move to Venezuela and Mexico.

I suggest that if Iran is going to charge the highest price the traffic can bear, it will not be very long before that trend is very readily apparent in Venezuelan and Mexican oil prices as well. Obviously that is the case. If the minister is that worried about the price and that worried about this huge hemorrhage of Canadian funds from this country to buy this amount of crude oil offshore, I suggest the way to stop that hemorrhage is to start turning some of that money inward in order to produce and develop our own Canadian resources and delivery system. In the long run that is the only answer, but how and when are we going to shock these people out of their complacency? Obviously the only way to do it is by an election.

The tragedy today as far as the Canadian oil and gas situation is concerned is not that the government is bringing forward a tired old bill that was first brought forward in 1974 for the consideration of this House, but rather that an emergency oil allocation bill is needed in this country at all. We should not need it. We obviously must have it simply because of the policies of the government which have resulted in our being behind the eight ball. We should not be debating this measure today. We should not have this bill before us today, except for a situation that is the direct making of the policies of this particular government.

As far as the bill itself is concerned, it has been described in the press and by others before the standing committee as a bad bill, an unreasonable bill, as an alarmist overreaction with sweeping powers. It has been said that the powers the minister will have under the bill are "absolute and dictatorical powers". These powers have been described by others, not by me, as frightening and unnecessary. It is said that the tone of the whole bill is one of "authoritarianism and federal centraliza-

tion". Others outside the committee have labelled the minister, if this bill is fully implemented, as a czar. It has been said that this bill is "a piece of tyranny", handled by amateurs with all of the professionals shoved aside.

I do not think any fair-minded and conscientious member of this House, no matter what political persuasion he may be, could help but agree that this bill, as far as its terms are concerned, is a bad bill. Certainly I agree with that criticism, and I could add a few of my own. The first criticism I would add, for instance, is that we are dealing with a bill that will be implemented at a time when the federal cabinet, and no one else, believes we are into a national emergency as far as energy supplies are concerned.

One of the major gross deficiencies of this bill is that there is nothing in the bill to indicate what a national emergency actually is. There are no guidelines, no restrictions and no limitations. There is no definition of what may or may not be a "national emergency". Only the federal cabinet on the recommendation of the federal minister will be able to understand and to know what a national emergency is, and only then and only that cabinet will be able to implement the bill. I think that is a gross deficiency in the bill.

Even the international treaty to which we are a signatory as a member of the International Energy Agency defines for international purposes what a major shortfall in energy or petroleum supplies may be. There is a 7 per cent figure there which is related to total consumption. There is no such definition, there is no such triggering mechanism, there is no such comprehension whatever in the bill of what a national emergency can or might be. As a matter of fact, there are even gross implications in the bill to the effect that it need not be a national emergency in scope, that a disordering of the petroleum, gas or energy market in only one region or area of the country may be enough to convince the government to proclaim by order in council that this bill comes into effect. Again, I think that this is merely a sweeping overreaction by the government to the problem.

● (1600)

I am not indicating that the government should not have this power. What I am saying is that it is an ill-thought out, ill-conceived piece of legislation. It is technically poorly drafted, otherwise we would not have amendments from the government before the House at this late stage of the proceedings. There is really no definition or triggering mechanism in this bill. There is no one in Canada today, including the minister, who can give us a definition of what a national emergency may be, yet we are being asked to give the minister sweeping powers in the event that he, and he alone, can make recommendations to his cabinet colleagues, whereupon the cabinet alone will then decide, in their ultimate and final wisdom, just what a national emergency should be.

Mr. Breau: Who should?

Mr. Lawrence: I am saying that in a parliamentary system or democracy the people have every right to know what a national emergency should encompass in so far as energy supplies are concerned. Other countries have done it, and it has even been done in the international arena which is far more difficult. But can the government? The other night the minister in committee indicated that he could not. I think that that is a terrible and terrifying admission for a minister to make. The minister has consistently refused to indicate to us what he would consider to be a national emergency in this country.

Mr. Hnatyshyn: The government is running out of gas.

Mr. Lawrence: Again, sir, as late as last Thursday evening and again today—because he did not dwell upon the matter at all—the minister was simply not able to tell us what an emergency would be.

Mr. Gillespie: We are dealing with an amendment. Would you address yourself to the amendment?

Mr. Lawrence: The minister has said that we are dealing with an amendment and asks if I would address myself to the amendment. The answer is, bluntly, no. If the Chair is going to allow the minister to rattle on in the vague way that he did, speaking about Mr. Armstrong, about Exxon and a few other things, then the minister may not like it but he is just going to have to sit and listen.

The minister is simply not able to give us a definition of what a national emergency is. I suggest in view of these wide-sweeping, dictatorial, authoritarian, absolute and frightening powers that that is a terrible and terrifying admission for the minister to make.

Another major defect in the bill—and I refer as well to the import of these amendments—is that it will give the minister and his hand-picked board the power to do almost anything they want to do with respect to the distribution, production or importation of energy supplies in this country without any compensation or any rectifying procedure or authority whatsoever. There is no way under this bill that compensation could be given to any individual person or citizen.

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. member but his allotted time has expired.

Mr. Lawrence: May I have the permission of the House to proceed?

Some hon. Members: No.

The Acting Speaker (Mr. Ethier): No, there is not unanimous consent.

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, we have before us this afternoon an amendment put forward by the Minister of Energy, Mines and Resources (Mr. Gillespie) on the emergency supply allocation bill which would widen the scope and activity of Petro-Canada in acting in the interests of Canada by allowing it to be represented on the executive committee of the International Energy Agency so that it may advise and be a watchdog for Canadian interests in the event

of a world-wide disruption or shortage. We in the New Democratic Party will support that amendment.

The situation that we have before us in this bill is one that I think any witness of the committee proceedings or the debate would find of extreme interest in terms of the way in which the two major parties are acting in trying to cope with the ever-increasing energy problem facing Canadians.

As we all know, this bill will not solve the long-term problem of supply and security of supply for Canadians. What it does do, however, is give the government emergency powers to allocate oil in the event of serious disruption of supply. I do not see how any reasonable Canadian can be opposed to that concept, that of giving the national government the power to deal with what would be a national emergency. After listening to the oratory and the arguments of the Conservative party, I am still at a loss to understand what they would put forward to replace the bill which we have before us. They are very quick at criticizing and using generalities about wide powers and about the minister becoming a dictator, but in terms of any concrete alternative on how the minister is to deal with an emergency situation, they are not forthcoming. The Conservative party does not seem to have a comprehensive energy policy, other than to provide more subsidies for the multinationals that got us into this mess in the first place.

As the minister moved his amendment today, he pointed out that we may face continued shortages of oil from Iran, a shortfall of perhaps as much as three million barrels a day, half of what was normally produced by that country. He also said that we would be faced with higher prices. The minister avoided the very difficult question of where we would get our supplies if we were cut off either by Iran or Venezuela, or if they were reduced by any of the normal suppliers. I would like to address myself to that matter in a few moments, especially in light of the minister's meeting this morning with Mr. Armstrong, the president of Imperial Oil.

This amendment which we have before us, as I say, we support. In fact, it is the New Democratic Party that has been continually urging a greater role for Petro-Canada, our national petroleum company. As hon. members will recall, it was during the minority parliament of 1972 to 1974 that our party, holding the balance of power, was able to convince the then Liberal government to introduce legislation for Petro-Canada in order that it could act in the interests of Canadians.

An hon. Member: Oh, come on!

Mr. Symes: Anyone who remembers the negotiations that went on during that period will agree with me—

Mr. Roy (Timmins): Were you in on those negotiations?

Mr. Symes: The hon. member for Timmins (Mr. Roy) has asked if I was in on the negotiations. I worked on the committee that dealt with the Petro-Canada legislation and was in close liaison with our energy critic at the time, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) and our party leader, who reported to us the state of ongoing developments in the negotiations with the government to set up Petro-Canada.

Anyone who knows the events of that year will recall the demand which was made publicly for Petro-Canada, as well as a number of other demands by our party, and the government's acquiescing to those demands. As I have said, we are arguing for a greater role for Petro-Canada. Therefore, I can see only advantages in putting Petro-Canada on this executive committee of the International Energy Agency.

Indeed, I was happy that the amendment which I made in committee to this bill before us to put a representative of Petro-Canada on the emergency allocation board in Canada was accepted by the government, although the Conservative opposition voted against it. I have another amendment in motion No. 5 which argues for Petro-Canada, in the event of an emergency being declared, to become the sole importer of offshore oil. I will deal with that at the appropriate time.

● (1610)

When I looked at the statement made by the minister yesterday in the procedural debate on the amendment, I noticed that he too shares our view that Petro-Canada should have a central and important role in development energy policy. I do wish that what he says was translated into more concrete action. Quoting from page 4052 of *Hansard* the minister said:

> —and it seems to me to be even more important now that Petro-Canada be included and designated as our watchdog with the other multinational corporations that will be involved in the implementation of that oil sharing arrangement. After all, all hon. members will remember it was not so very long ago when one of the international oil companies, Exxon, involved itself in the diversion of crude which was destined for Canada. It is in that kind of situation that I think it is important that Canada should be involved, in order to guard against this sort of thing.

That is a very interesting statement about the need for Petro-Canada, especially as a counterbalance to the power that the multinational oil companies have in Canada. We all know that our oil industry is about 90 per cent foreign owned, and that the multinationals have designed energy policies to benefit themselves rather than Canadian energy consumers. Of course, we are now literally paying the price for that kind of policy, and we are paying the price in terms of supply problems. It will be of interest to see what the minister actually envisions as a role for Petro-Canada in light of that larger problem, which is only partially alluded to in the amendment we have before us.

When the parent company of Imperial Oil, Exxon, announced that it would divert 100,000 barrels of Venezuelan oil destined for Canada, the minister announced that that was unacceptable, that no minister of energy or any Canadian government could accept an arbitrary decision by a multinational company to tell its Canadian subsidiary to divert oil contracted for eastern Canadian markets.

There was a great hubbub in this chamber at the time and the minister wrapped himself in the flag by saying that he was going to defend the interest of Canadians, especially eastern Canadians, who depend on that oil. He began to negotiate with

Imperial. That company announced that it had reconsidered and would not divert 100,000 barrels of oil but only 9,000 barrels of oil destined for Canada's eastern markets. But the minister did not stop there. He said that if Exxon or Imperial diverts one barrel of oil, that was still unacceptable to the Government of Canada. In an interview conducted by and reported in the Toronto *Star* for February 23, 1979, the minister is quoted as saying:

"If his (Armstrong's) Exxon colleagues choose to put Imperial in a disadvantageous position, then presumably they're prepared to accept the consequences".

Further on, the minister states:

—the situation will not be resolved to his satisfaction "until Mr. Armstrong has established direct contractural links with Venezuela".

In other words, the Minister of Energy, Mines and Resources said, quite rightly, to Imperial and Exxon that it is unacceptable for a Canadian subsidary to take orders to divert oil destined for Canada. He said too that he did not want Imperial Oil to divert any oil, and he gave orders to Imperial Oil to refuse directives from its parent, Exxon. He told Imperial to begin negotiations with Exxon to relieve its obligations so that it would be able to negotiate directly with Venezuela for oil destined for Canada.

The minister stood up in this House a few moments ago and said that he had had a meeting with the president of Imperial Oil this morning who told him that his position had not changed, that Imperial would still divert oil destined for Canada and that it would not continue to pursue the course of direct negotiations with Venezuela for the oil.

In light of the minister's statement that any diversion would be unacceptable, and that if Imperial did not establish direct links with Venezuela, that would also be unacceptable, it now appears to me that Imperial has given a direct slap in the face to this minister, to the Government of Canada and to the consuming Canadian public. Surely any government which has the interests of Canadians at heart, any government that has any backbone at all, will not accept that kind of dictate from a foreign multinational about the operations of its Canadian subsidary when the operations of that subsidary go against the interests of Canadians. The minister was quite bold in the House and elsewhere. He said that if Imperial does not do what he says it will have to face the consequences. I hope the minister can enlighten us as to what consequences he foresees for Imperial Oil.

Will the minister take action, legislative or otherwise, to ensure that Canadian consumers in Atlantic Canada get 100 per cent of the oil that was bound and contracted for, or will he capitulate to this multinational oil company? Will the minister go begging and thereby embarrass all Canadians, and in so doing admit the problem that we have in Canada today, namely that because of the lack of an energy policy and of the lack of public involvement in the energy sector, Exxon has held the Canadian government to ransom? Unless the minister can announce otherwise, it appears to me that Exxon and Imperial have won and the Canadian consumer has lost.

The minister says that he wants Petro-Canada to enter into direct negotiations with Venezuela. I commend him for that. But the crucial problem is, where will the 9,000 barrels of oil which Imperial says they will still divert to Exxon markets throughout the world come from? The minister has not answered that question, Mr. Speaker. Will we get all of that oil or not? If not, what action will this government take to protect Canadian consumers?

Surely it is obvious, with these high-handed, arbitrary and unfair actions of Imperial Oil, that it is time Canadians realize we cannot develop an energy policy in this country when we are held up to that kind of blackmail by multinational oil companies. The only way out is not the way of the minister of energy—to go begging cap in hand, or begging on his knees, to Imperial Oil and saying, "Please, will you give us that oil destined for us originally?" Is that any way for a minister of the Crown to be acting? Because it appears that is exactly what he is doing. He has acquiesced to Imperial's thumbing its nose at the Government of Canada and saying: "We are not going to enter into direct negotiations with our supplier, nor are we going to meet our full commitment of oil destined for eastern Canada". What a spineless government and minister we have if that is all that the minister can say in reaction to that arbitrary action by Imperial Oil.

I hope Petro-Canada can enter into direct negotiations with Venezuela or with Mexico, because we will get a much more secure supply of oil. But I do not know whether it can. I tend to doubt at the moment whether Petro-Canada can make up the shortfall caused by Imperial's arbitrary actions.

• (1620)

These recent incidents of the diversion of oil by Exxon and Imperial indicate how far this country and this government have been backed into a corner by relying on multinational oil companies for so long to develop our energy reserves. It should be obvious even to this minister that the way out of this impasse, the way to break the stranglehold of multinational oil companies on our economy, is to move more directly in terms of public ownership and public control over the industry.

We have a magnificent tool whereby we can do that, a Crown corporation, the energy company owned by Canadians, Petro-Canada. It could be a leader in terms of developing energy policy. It could be a leader in terms of developing energy policy. It could be a leader in terms of developing exploration, price systems and, above all for eastern Canadians, direct contractual links with oil supplies. We do not want again to get caught in the squeeze we now find where a multinational oil company with head office in New York says that it will determine in whose interests our policies will operate. That will not necessarily be in the interests of Canadians but in the interests of Exxon and the maximization of profits.

If it means diversion of oil from Canadian markets to somewhere else, Exxon will do it. How much longer can we in Canada tolerate that kind of situation? Surely any government worth its salt would understand that we have to move quickly and vigorously in the direction of a larger role for Petro-Canada. In the interim we must take legislative and regulatory

action to stop this kind of blackmail that Exxon and Imperial are perpetrating on the Canadian people.

If the minister does not take action—and there are options available to him in terms of a swapping policy and a compensation policy for Imperial—it is obvious that this government has capitulated to the wishes of the foreign multinational oil companies. If this government does not stand for the interests of the energy-consuming public in Canada, we will continue to be ripped off and be at the mercy of these foreign oil companies. The bill before us is important and necessary. The NDP supports the amendment before us.

Mr. Paul E. McRae (Fort William): Mr. Speaker, I was very pleased today to hear the minister announce that he had asked Petro-Canada to negotiate with the government of Venezuela. It is a step that is badly needed, given the refusal of Exxon to continue contractual arrangements with regard to continuing the supply of oil to this country.

I am amazed at the response of the Tory party. They continually talk of getting rid of Petro-Canada. They believe there is some magic way that a group within Canada can be large enough to move in and do something substantial in this industry without the support of a national company. I am amazed to hear them say that we do not need this bill. They say there is no need for it because there is no energy emergency, that this is strictly an election ploy.

We had our first warning in 1973 which resulted in more than a quadrupling of the cost of oil and the worst recession in the industrial world since the thirties. It has resulted in such things as a $50 billion balance of trade deficit for the United States, it having to buy oil on the world market. This has had major efforts on the Canadian dollar.

We have now had our second warning. Iran has been one of our major suppliers, supplying 20 per cent of the oil for eastern Canada. The Iranians are now saying that they are only going to supply half the amount previously supplied and at much greater prices. Iranian workers in the oil fields are demanding that these supplies go elsewhere. The government of Iran has said it will not deal with multinational oil companies. As the minister indicated, there is great concern with regard to what could happen to other countries in the Middle East, such as Saudi Arabia.

The minister has covered the whole matter of the Exxon diversion. Suffice it to say it is important that our national oil company deal directly with the government of Venezuela so that we will not be forced into the situation where supplies that the government of Venezuela wants to send to Canada are diverted elsewhere.

There is another major reason for this discussion. According to a publication by the department, within the next 15 to 20 years we must reduce our dependence on oil. It must be reduced to 46 per cent of our energy supplies, then to 30 per cent by the end of the decade and to 25 per cent by the year 2025. Therefore, we will have a substantial reduction in the amount of oil available.

I am amazed by the attitude of the Tories that somehow or other the industry is basically Canadian-owned. The hon. member for York-Simcoe (Mr. Stevens) made this statement at page 7202 of *Hansard* for July 2, 1975:

> The truth is that Petro-Can is a socialistic dream. They have conjured up in their minds the impression that the petroleum industry is not owned by Canadians but is owned by foreign corporations. That is not in accordance with the facts. Canadians own the petroleum in this country.

I do not know where they get the idea that Canadians own this industry in this country. There is perhaps 20 or 25 per cent Canadian ownership, but as far as control is concerned it is not there. Foreign companies in the petroleum industry control 91 per cent of the assets and 95 per cent of the sales. To say that we do not need Petro-Canada because some Canadian outfit will come along and solve the problem is to say that those facts are wrong.

Let us look at those companies. Mobil Oil of Canada is 100 per cent controlled by Mobil Oil in the United States. Chevron of Canada is 100 per cent owned by Standard Oil of California; Imperial Oil is 70 per cent owned by Exxon; Shell of Canada is 79 per cent owned by Shell Investments; Gulf Canada is 65 per cent owned by Gulf Oil Corporation; Hudson's Bay Oil and Gas is 53 per cent owned by Continental Oil. Aquitaine is 75 per cent owned offshore and controlled by the French government. BP is 69 per cent owned by BP and controlled by the British government. These are facts. These are the major oil companies in the world and, as I have said, they control 91 per cent of the assets and 95 per cent of the sales in this country.

● (1630)

The Tory solution of setting up a group to control the other 9 per cent is just ridiculous. Sure, we need support. We need Canadian independence. But we also need a Canadian company large enough and with enough muscle to do some of the things that have to be done. I find it difficult to understand this reaction.

Those of us who were on the Standing Committee on Natural Resources and Public Works back in 1974-75 when we were setting up Petro-Canada will remember the problems we had to face. There were something like 14 meetings on clause 2. We are reminded of the obstruction by some of the Tory members at that time. There is a consistency here, at least I can say that for them.

There were three reasons why Petro-Canada was set up. One was to ensure a secure supply of oil for this country. This implies that it might not necessarily be profitable to do some of the things that have to be done. For instance, Petro-Canada has in the last year initiated drilling operations offshore on the east coast. These operations might not prove to be profitable. If this were a private company whose only aim was to make a profit, they probably would not be there. But they are there because we have a problem in the Atlantic provinces and they are there to serve the Atlantic provinces.

The second point in terms of supply is that if they do achieve a breakthrough and find a substantial quantity of oil, that oil

would not necessarily have to be exported. It would stay here for use by Canadians. That is one of the reasons Petro-Canada was set up. Another reason has to do with keeping an eye on the industry. There is no industry in this country or in the world, for that matter, which Canadians and other nations view with as much suspicion as they do the oil industry, and perhaps for good reason.

I believe the hon. member for Rocky Mountain (Mr. Clark) before he became Leader of the Opposition supported the notion that one of the reasons for setting up Petro-Canada was to enable the Canadian people and the government to keep an eye on the oil industry. If the oil industry is not to be suspected, then one way of making sure is to lay the facts in front of the people. If the Canadian government keeps an eye on the industry and the facts are laid before the public and there is no hanky-panky, then everybody looks better.

The third point has to do with Canadian ownership. I have already spent time on this aspect, showing the degree to which ownership is in the hands of foreign companies. Then there is the degree of control. The degree of control is even more important than the extent of ownership. Hon. members may notice that with respect to Gulf, for instance, there is a 31 per cent Canadian ownership. Nevertheless, control is still in the hands of foreign multinationals and this is something we ought to be extremely disturbed about, particularly in a world in which oil supplies can be manipulated so easily.

There was no end to the disruption in the committee. As I have indicated, we had 14 meetings on clause 2 alone. The bill was being filibustered, of course. Finally, though, we managed to get it through. In order to do so the minister at the time, Mr. Macdonald, had to make a concession to the Tory party; the government was obliged to relax control over the day to day operations of Petro-Canada.

It is interesting to note that the Tory party made a big thing out of the fact that the government was failing to exercise day to day control over various Crown corporations; this was at a later date when issues arose about certain deals with Korea and so on. But a few months earlier they had objected strongly to the government exercising some control over the day to day operations of Petro-Canada. So that was given up in exchange for agreement by the Tory party not to filibuster the bill. I think we spent 42 hours in discussion of this legislation in the House and 25 hours in committee.

The Leader of the Opposition has indicated he would dismantle Petro-Canada. The hon. member for Northumberland-Durham (Mr. Lawrence) suggested only last week that the first thing his party would do, if elected to power would be to dismantle Petro-Canada. A couple of weeks ago in Saskatoon the policy committee of the Tory party indicated they would follow through and disband Petro-Canada. So I do not think there is any doubt at all that if the Tories become the government we shall be out of the oil business as a nation and the multinationals will be back in it.

The Tories have accused us of lacking a policy. They have a simple answer, which is just to move more oil to the Atlantic provinces as quickly as possible. They have made a further suggestion that natural gas be moved to the Atlantic provinces. They have talked about supplying natural gas to Quebec and we have already seen applications from TransCanada for a line from Montreal to Quebec. The Leader of the Opposition seems to be talking about a supply line which would run from Quebec to the Atlantic provinces. The Tory government in Ontario has opposed this, saying it was ridiculous and that it would not make economic sense. They are also claiming that the Leader of the Opposition did not make that commitment.

The hon. member for Calgary Centre (Mr. Andre) indicated the other night that such a commitment was not made. I thought he did make the commitment and I believe the people in the Atlantic provinces thought he had done so, but at this point there seems to be no such commitment. At this point, though, TransCanada has an application before the National Energy Board for such a line and the minister has indicated that he would favour funding the line by moving exports through the line into Bangor, Maine, and so on. So we are moving in this direction generally, though the Tories seem to be stalled at some points.

As far as oil is concerned, we ought to look very seriously at the implications of Conservative arguments in favour of moving far more oil to the east. This would be most desirable, of course, if we had the oil to move. Already we have laid a pipeline from Sarnia to Montreal which delivers 200,000 barrels a day, and an application is before the National Energy Board to enlarge the line to take an additional 100,000 barrels a day. But where is the oil coming from?

As far as I can understand the situation there are 15 billion to 20 billion barrels of oil in the western reserves ultimately recoverable. Seven or eight billion of those have already been recovered. Now we are using about three quarters of a billion barrels a year and leaving, say, 10 billion still in the western reserves. We have perhaps 12, 13 or 14 more years of oil supplies left at the rate we are using it, that is all. We have not made any significant discoveries in the north or in the north islands. There have been offshore discoveries off the east coast. They have been discoveries of gas, not oil. If we expand this particular project, we may find ourselves running out much earlier than we had thought we would.

● (1640)

The other solution is to move more rapidly on the Syncrude project. The Tories are saying that we are not giving enough concessions and that the federal government should put up more tax concessions and more money. I would like to refer to an editorial printed in the Toronto *Star* on March 10, last Saturday, which indicates a very strong feeling, at least from the point of view of the Ontario taxpayer, that we are already putting too much money into this project and into oil projects generally. The editorial says, and I quote:

> But does Clark not realize that existing federal tax concessions would provide almost 50 per cent of the capital needed by oil companies to build such plants?

This is a reference to the Syncrude plant. We are in this business in a big way, and Petro-Canada is our agent. This is one long-term solution we will have to employ, but the Tories

say that we should give oil companies more tax concessions, turn over more money and turn on the tap. That is ridiculous. We are talking about very expensive oil and about projects which are still running into many production difficulties. We are talking about long term financing, long term production problems and so forth. There is no simple solution.

I am left to conclude that there is only one rational approach to the long-term problem and to the short-term problem, and that is to use Petro-Canada in this emergency and in future dealings. We should be sending Petro-Can to negotiate with Mexico, which we have done. We should be sending Petro-Can to negotiate with Venezuela, which the minister has done. We should be getting a substantial supply of oil from those two countries—the minister has indicated 300,000 barrels a day—which we can depend on. We should not be at the mercy of some company which has movement all over the world and which can move its oil from one place to another as it pleases.

I think this major move we are making is an important one. It is amazing that the Tory party can get so upset about the dealings of Petro-Canada and that it can get so upset because the Canadian government and the Canadian people own a national oil company. To them there is absolutely nothing wrong with companies like BP and Aquitaine, both nationally owned oil companies, moving into this country and functioning at will. However, they do not want a Canadian national company to do so, and they do not want any concessions to be given to a Canadian national company. These are some of the things which disturb me, and they should disturb the Canadian public a great deal more than I think they do.

I support this amendment. I think we are moving in the right direction. While I do not want to see Petro-Canada taking over and running everything, I think we need a strong national Canadian oil company, and I think we should let it function in terms of Venezuela and Mexico.

Mr. John C. Crosbie (St. John's West): Mr. Speaker, I can certainly agree that the hon. member who just finished speaking is disturbed. One can easily see that.

Mr. Speaker, have you ever heard such a line of malarkey that all the government has by way of an energy policy is Petro-Can? Whenever they are in trouble, they wave the magic wand, and their fairy godmother, Petro-Can, solves all our energy problems. But has Petro-Can ever found one drop of oil in Canada or gas? The only gas Petro-Canada has found we have discovered is the minister speaking in this House. He has more gas than Petro-Canada has yet discovered. There has not been a non-private oil company or gas company in Canada that has yet discovered one ounce of oil or gas.

The government here is admitting in this legislation to a complete bankruptcy of policy. The first oil crisis came in 1973. Six years later another emergency supplies allocation bill is coming in because the government has done nothing to solve our problem.

[Mr. McRae.]

What is our problem? Statistics Canada shows that in 1976 oil supplied 52 per cent of our energy needs. In Atlantic Canada the figure was 87 per cent, in Quebec, 75 per cent.

The government has done nothing to change that in the last six years, knowing our vulnerability. The figures show that we import into eastern Canada now 530,000 barrels per day, so that 60 per cent of the Quebec and the Atlantic provinces demand is met by these expensive foreign supplies. That is the problem, and the government has done nothing to cure that or suggest any cure for it. Those imports are costing us $3.5 billion in 1979. They will cost our balance of payments $3.5 billion. The government has done nothing to solve that in the last six years.

In Quebec and the eastern provinces there is an oversupply for refining capacity. Most refineries operate at less than 75 per cent capacity. The capacity was originally built to supply the American market, now closed off, and the government has done nothing to overcome that. That will bring me to the oil refinery at Come-By-Chance in a few moments. This government has failed Come-By-Chance, failed Newfoundland, failed Canada, failed eastern Canada, and it has no policy at all except to say "Petro-Can".

Here is the government's story in verse:

Alastair, Alastair, where have you gone?
"I'm out to see Hopper—I'm now just his pawn".

Everything is Hopper. What is the good of having a minister and a Department of Energy, Mines and Resources when you ask him a question and it's Petro-Can? They have to refer to Petro-Can. Petro-Can has to negotiate with Venezuela. Petro-Can has to negotiate with Mexico. Do we not have a minister and a department and a National Energy Board so that we do not have to have Petro-Can do that? What a pitiful excuse for a policy!

Now, another verse: Listen to this, gentlemen. Please do not interrupt me when I quote my poetry.

"Petro-Can, Petro-Can," that's all they shout;
The Department of Energy has no more clout.
The 1973 crisis has lasted six years
With no government action until Iran brought new fears.
The answer, we're told, is to surrender all power
To the government that failed us in our energy-short hour.

That is all we are getting with this government. Give them more power? They have had lots of power in the last six years, and they have done nothing with it. Their solution is to come to this House and ask us to vote them more and more discretionary power.

Alastair, Alastair, where else did you be?
"Off to see my superiors in the NDP".

The minister is completely subservient to the NDP. "Pierre Trubent" and "Ed Broaddeau", they are the same. Tweedledum and Tweedle-dummer, that's the NDP and the government. They are in bed with each other. We saw that from 1972 to 1974. We see it now with energy policy. Where does the minister get his energy policy? From the NDP. Trubent and Broaddeau! The government wants to centralize all the power

in Canada here in Ottawa, and the NDP says, "Yes, we want that, and then we want to nationalize it too". That is the only difference between them, if there is any difference.

All the oil and gas in Canada today was produced by the private sector, and still is, except where Petro-Canada has horned in on a takeover. So this is the government which asks us to approve this bill. Well, I for one do not approve it, and I will come to another reason why I have no intention of voting for it unless the minister gets up off his duff and gets to work to help the oil refinery which has been closed in Come-By-Chance since 1976. In February, 1976 the oil refinery at Come-By-Chance went into bankruptcy. It failed, and this government has done nothing in the last three years to help it start again. Under the legislation now before this House the government is being given the power to make sure that that refinery never starts again.

If the government is no more successful in helping Canadians generally than it has been at helping Newfoundlanders get their refinery going again, get the 500 jobs back and get that $300 million asset producing, then we are in bad shape, slack shape indeed in this country. The leader of the NDP went to Newfoundland and suggested nationalizing the oil refinery at Come-By-Chance. Their answer is to nationalize it and to have Petro-Canada operate it.

• (1650)

I asked Petro-Canada in April of 1977 what they thought about the oil refinery at Come-By-Chance, because the minister had said he would ask Petro-Canada to look at it. You know what I was told by Mr. Hopper, the famous Mr. Hopper to whom the minister is surrendering? Now the minister is the complete puppet of Hoppers. "Alastair, Alastair, where have you gone? 'I'm out to see Hopper, I am now just his pawn'." Mr. Hopper said that the refinery at Come-By-Chance will not be needed to provide oil products on the east coast until at least the early 1980s. Those are dismal propects for the east coast since it went into receivership. They had consultants survey the plant, the report was confidential, but it certainly was not favourable. That is all that Petro-Canada did. I quote:

> Any operator taking it over would have to be prepared to face some very tough years.

Petro-Canada is not going to take it over. How can it take it over? It is an export refinery; it is not needed for the domestic market in Canada. That is why it will not be taken over by Petro-Canada and the suggestion of the NDP is nonsensical. It is complete economic nonsense, as their suggestions usually are.

In the fall of 1976 the Secretary of State for External Affairs (Mr. Jamieson) went to Come-By-Chance during the by-elections and told the oil workers there and their union that the refinery would be operating in 1977. But he has not done a thing since then. That was two and a half years ago.

On September 15, 1977, he told the *Clarenville Packet*, a newspaper that circulates in Come-By-Chance, that he had had meetings with three reputable companies to discuss the possible takeover of the Come-By-Chance refinery. That was two years ago. Two of these were North American based companies with large retail distribution networks. Where are they? They have not materialized since. The article in that newspaper goes on to read:

> He noted that a number of options are open to the federal government as to involvement by Come-by-Chance.
>
> He said in talking with the United States last week, for instance, "there was talk of using Come-By-Chance and all other surplus refining capacity in eastern Canada on a basis that would help supply the eastern seaboard of the U.S. Canada would establish Come-By-Chance as an "in bond" refinery—American crude in, American finished products out, destined for the United States."

What happened to that? It was complete and utter bluff. There is another election coming now and they will not be getting away with bluffing down in Come-by-Chance while I am the incumbent member, and I will be the incumbent member after the next election, except that we will be in the government and we will be taking some action to help that refinery. That refinery produces 100,000 barrels a day. The bankruptcy amounted to something like $600 million, and the people who owned the first mortgage are the ECGD, the English Export Credit Guarantee Department, the equivalent in England of our EDC. I can assure you, Mr. Speaker, that our EDC will be following the course taken by ECGD before much longer. They hold the first mortgage and they are owed $162 million under their first mortgage. It is costing them $5 million a year to keep that refinery in mothballs so that it will not deteriorate and will be ready when somebody takes it over. That amounts to over $400,000 a month. It has cost them $15 million to keep it in mothballs and it is not operating.

They have scoured the world trying to find another party who would be interested in taking it over and operating it. The Golden Eagle made a bid but they are only interested in it as a transshipment point, not in operating a refinery. The only ones they have been able to find is the First Arabian Corporation of Luxembourg headed by a man called Mr. Roger Tamrez who is connected with a group of Saudi Arabians. He has sources of crude oil, he has marketing resources, and he has made a bid to the receivers under the first mortgage, to Peat, Marwick and Company Limited, which they have accepted.

A second proposal was made by John Shaheen who was the original operator of an oil refinery in Come-By-Chance. It was his companies, Provincial Refining Company Limited and Newfoundland Refining Company Limited, which went bankrupt. He was involved in this gigantic bankruptcy. He made a proposal to the receivers under the first mortgage, and his proposal was rejected because the receivers looked at it and said that Mr. Shaheen cannot raise the money he claims he can raise, that there is nothing to his proposal but fantasy. But they accepted the proposal of First Arabian.

So there is only one proposal in play at the moment, and that is from First Arabian Corporation of Luxembourg. They have already bought a bankrupt refinery in Puerto Rico, the Commonwealth Refining Company Limited, which went bankrupt in Puerto Rico in the last three or four years. So they have substance; they have already shown they can take over a bankrupt refinery. They have supplies of crude and they say they have markets in the United States. They say that if their

proposal is accepted, they can sell their product in the United States even though eastern Canadian refineries do not come under the U.S. entitlement program which this government is supposed to have asked the United States government to approve. This government has not pushed that, it has merely put it forward pro forma.

We have Point Tupper operating at 50 per cent capacity, a whole series of east coast refineries operating at only 75 per cent capacity, and yet this government has offered the United States nothing to bring us under the entitlement program so that these refineries can compete in the United States. They do not care about these refineries, they do not care about eastern Canada, they do not care about anything. All they care about is to stay in power and to hang on by their toenails, fingernails and their hangnails. But they will go out kicking and screaming because of their neglect of problems like this one.

The Newfoundland government is owed something like $50 million on the second mortgage. Local creditors are out of money. This week people from First Arabian who have to enter into a detailed written agreement with the receivers under the first mortgage were in Ottawa seeing various government agencies.

There are some things that this government will have to do if this proposal is to go forward. On April 15 there is supposed to be a final contract of sale. Local creditors have been told by Mr. Shaheen that he would see they are repaid although they are unsecured. I am referring to the local Newfoundland creditors under the original bankruptcy. That is all well and good. If the proposal of Mr. Shaheen was accepted and carried out, they might all be paid. But his proposal is not in play; it has been rejected by the first mortgagee who controls the situation, unless someone wants to pay the first mortgagee $162 million plus the $15 million they have spent.

There is only one proposal in play, and for that to go forward the Government of Canada has to take certain actions. One of those actions is this. When this legislation passes the House and the Senate, it means that the government can step in at any time they say there is an emergency and interfere with export contracts, with movements of crude oil, with the sale of refined products. They did that at Come-By-Chance in 1974 and 1975. Even if you get a term export licence from the National Energy Board to export your product, the government can interfere and order you not to export. No one, neither the First Arabian Corporation nor any other corporation that takes over the oil refinery at Come-By-Chance, can do so unless the government can guarantee that at least for a period of five to ten years they will not interfere with the sale of refined products outside Canada. Unless they can have that assurance, they cannot get the money to reopen the refinery, they cannot get the several hundreds of millions of dollars in financing which they will need. They need $50 million to repair the defective hydrogen plant and the other defective parts of the original oil refinery. They cannot get financing unless this government will guarantee them that there will be no interference in their export contracts of refined products from Come-By-Chance.

[Mr. Crosbie.]

The refined products are not needed in Canada, there is no market for them here. The crude will not come from Canada, it will come from overseas. It is an export refinery and if they cannot get this guarantee from the minister and his government, their proposal cannot go forward, the Come-By-Chance refinery cannot operate and 500 people cannot work. I would like the minister to assure me that before the legislation is passed the government will give them that guarantee. I will not support this legislation if I happen to be here when it comes before the House unless the government gives that guarantee to First Arabian or to anyone else with a successful offer to reopen that refinery.

The second point the government has to deal with is the wharf at Come-By-Chance. It was built by the government and it is owned by the government. They are out by $20 million. The wharf is of no value to the government because the refinery is not operating. They have not had a payment on the wharf in three years. The wharf is needed now and it is for the government to lease that wharf to the successful proposer who will take over the refinery at a nominal rental fee for at least ten years so that their cash flow is assisted in the early years. The government should do that because the wharf is of no value unless the refinery at Come-By-Chance is operating.

May I call it five o'clock, Mr. Speaker?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Turner): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Simcoe North (Mr. Rynard)—Labour Conditions—ILO recommendation that older workers should choose age of retirement; the hon. member for Winnipeg South Centre (Mr. McKenzie)—Canadian National Railways—Name of independent auditors employed to audit pension fund account; the hon. member for Ottawa-Carleton (Mrs. Pigott)—Urban Affairs—CMHC divesting itself of low income properties.

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

• (1700)

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

HOLIDAYS ACT

SUGGESTED REPLACEMENT OF DOMINION DAY BY CANADA DAY

Mr. Hal Herbert (Vaudreuil) moved that Bill C-232, to amend the Holidays Act, as reported (without amendment) from the Standing Committee on Labour, Manpower and Immigration, be concurred in.

Motion agreed to.

Mr. Herbert moved that the bill be read the third time and do pass.

Mr. Gordon Towers (Red Deer): Mr. Speaker, I have yet to hear the reason for attempting to change the name given to our country by the Fathers of Confederation in the year 1867. Some hon. members said in committee and in the House that the word "dominion" is divisive. If it is, in my opinion it is only so in the minds of politicians who would rather play politics than do something positive for Canada and Canadians. If any member of the House has received representations that the word "dominion" is dividing the country, I would ask that he or she explain or reveal the reasoning behind that type of thinking.

It seems to me more than strange that on the very day after the celebration of Commonwealth Day a private member's bill should be brought before the House which would tend to separate the nation from the Commonwealth of Nations, a group of 40 countries, as Mr. Speaker said, "of great diversity in terms of size, race, colour, creed and culture, and at all stages of economic development". Perhaps some members have overlooked the fact that the second Monday in March was designated Commonwealth Day at the suggestion of Canada in 1975. The Dominion of Canada is part of that Commonwealth.

According to the dictionary, a dominion is "a country under a particular government; self-governing member of the British Commonwealth of Nations". "Commonwealth" is shown as "the body politic", which is "the state or nation as an organized political entity or the people collectively". What is divisive about either word? I would say the very word "dominion" exemplifies one people: brothers and sisters in a nation whose ten provinces are members of that family.

Why switch to Canada Day from Dominion Day just because, in the words of some hon. members opposite, the former is the name generally used? I ask by whom and where are they? Sometimes even in the House four letter words have been used, but certainly the decision to be vulgar does not signify that type of language is going to be adopted. I would certainly hope not. What the country needs today are more citizens who stand up for the country, what it means, how it came about, the hard work and initiative applied by our pioneers. Canadians have not been given an opportunity to decide whether such a change should be made.

If the government is of the opinion that the name chosen for the country is not satisfactory, the government should bring in legislation in the usual way. Why try to sneak this change through parliament by a private member's bill? In addition, why tinker with this matter when the mandate of the government is running out? What is so urgent about it?

In 1976 when the bill was discussed in committee, a member of the government said the following in reference to the word "dominion":

> It does have a divisive effect because some people do interpret the word as implying a link with another country.

Everyone in Canada has a link with another country. If we were to separate our words and thoughts from every country to which our provincial brothers and sisters are connected by birth or through their forefathers, would we have a Canada at all? Let us be realistic rather than petty. Let us work to keep this country the way it should be. We are all related as a provincial and national family. We can work together retaining our culture and heritage. We do not need more political manoeuvring, even to satisfy ideas in the minds of a few politicians.

I recall the fuss about Canada having a distinctive flag of her own. Everyone remembers the time spent on the selection of that flag. Whether we like it or not, and whether or not we admit it, the fact is the flag was changed because some people thought the Red Ensign was divisive. I did not think so then, and time has proven I was right.

Under a flag which is distinctly Canadian, what we have today is a nation on the point of division. A flag loved by the majority of Canadians who fought world wars under its proud and significant Union Jack and coat of arms of Canada was removed to appease a few, and I am not certain they were not all politicians. A new flag did not further unite the country. A new name will not keep the nation together either. The nation will be one nation without question when her people realize what they have in this country, when they decide to do something for Canada, when they work and pull together instead of imagining that everything of earlier years must go.

One could liken the continual chipping away at what we have and what Canada was built upon to a child who was given everything he or she wanted just to avoid discussion, argument or a bit of noise. Of course, hon. members know the result of that type of parental behaviour; the child is never satisfied, becomes discontended, and is seeking forever something else, anything to create dissension and enable the child to control the parents instead of the parents controlling the child. In other words, the tail wags the dog.

I am not an expert on the constitution, but I believe it is only right today to quote from an address by one of Canada's best known constitutional experts to whom every resident of the country owes gratitude, respect, admiration and loyalty. I should like to read excerpts from an address on June 19, 1956 by Dr. Eugene A. Forsey. They read as follows:

Dominion Day celebrates one of the greatest feats of modern history: the making of a new nation, and a new kind of nation, by a handful of people of differing origins, differing languages, differing creeds, differing histories and differing interests, and in the face of obstacles that might well have daunted the boldest and most resolute statesmen. Everything was against them. The country was huge; most of it was empty; the Americans were pressing in upon the territories of the Hudson's Bay Company, threatening to cut off the new Dominion from any expansion west or north. There was hardly any industry: manufactured goods came overwhelmingly from Britain, and to central Canada for five months of the year through American ports, so that at any moment the Americans could strangle the economic life of Ontario and Quebec.

Central Canada and the maritimes knew little of each other, and many maritimers feared "upper Canadian" domination. Communications were poor: there was no railway from the maritimes to central Canada, and, what was worse, the main central Canadian railway, the Grand Trunk, came in from the United States and went out into the United States. If the Fathers of Confederation had followed their economic interests, there would have been no Confederation. They would not have gone to Charlottetown, and from Charlottetown to Quebec. They would have gone to Washington, and asked to be let into the American union . . .

The Fathers originally wanted to call the new nation "the Kingdom of Canada". But the Americans raised such a storm that the British government took fright, and insisted on something else. The Fathers, for their part, insisted on something that would mark the new and higher status of the federation. Sir Leonard Tilley produced the solution, from the seventy-second Psalm: "He shall have dominion from sea to sea, and from the river unto the ends of the earth". His colleagues agreed; the Queen consented; and "Dominion" the new nation became . . .

The title was a particularly happy one, for more reasons than one. First, and most obviously, it embodied the determination of the Fathers to bring into the Union all the British North American colonies from Newfoundland to British Columbia: . . . as our coat of arms says. It declared the "Manifest destiny" of Canada to rule from the St. Lawrence to the North Pole.

● (1710)

Second, and more important, it emphasized the religious basis of the new nation. Who was to have "dominion"? The King of Israel, the Lord's Anointed: the King, under God.

Third, it proclaimed the basic fact of our two cultures. For "Dominion" is not Anglo-Saxon. It is an old French word which dropped out of use in French but was preserved in our English Bible and our English Book of Common Prayer.

Fourth, it proclaimed, no less unmistakably, our new status. The French translation of "Dominion" is "Puissance," (Power); "Souverainete" (Sovereignty); a far cry indeed from "province" or "colony", a foreshadowing of the independence to come. And it was so recognized at the time. It was meant, Lord Carnarvon told the Queen, just before the Act was passed, "to give greater dignity to the commencement of this great scheme." "Canada", said Edward Blake in 1876, "is not a colony or a province; she is a Dominion, under an Imperial charter which expressly recites that her Constitution is to be similar in principle to that of the United Kingdom".

Fifth, it asserted the "lordship," the primacy of the new nation over its parts. Canada was to be "one Dominion . . . divided into four provinces." The Fathers of Confederation had an immense respect for American federalism. But they had a horror of the "States' rights" doctrine which had nearly destroyed it in the Civil War, and they were determined to have nothing of that sort here. "The Americans," said Macdonald, "commenced at the wrong end" by giving the central Government specific powers and reserving everything else "to the States and to the people." "Here," he continued, "we have adopted a different system. We have not only given the General Government all the powers which are incident to sovereignty, but we have expressly declared that all subjects of general interest not distinctly and exclusively conferred upon the local Governments and Legislatures shall be conferred upon the General Government and Legislature. We thus make the Confederation one Government and one people, not five Governments and five peoples, one united province with the local Governments and Legislatures subordinate to the General Government and Legislature."

They made assurance doubly sure by giving the Dominion paramount power over immigration and agriculture, power to appoint Senators and Judges, power to appoint, instruct and remove Lieutenant-Governors, power to disallow provincial Acts, power to protect the educational rights and privileges of Protestant and Roman Catholic minorities. They even provided for the transfer of the whole law of property and civil rights, except in Quebec, to the Dominion. Canadian federalism was our own, not an import from the United States; and we emphasized that fact by giving our central Government our own name for it, "Dominion," instead of importing the American term, "federal."

Finally, Mr. Speaker, I would like to conclude this part with these words:

What is the fourth thing that makes Canada unique among American nations? Our membership in the Commonwealth, that world-wide free association of free nations which we have done so much to create, which Sir John A. Macdonald foresaw and sketched as long ago as 1865, whose corner-stone he laid on the first Dominion Day, and towards whose completion he worked with unexampled skill, patience and courage. This also is part of the meaning of Dominion Day. This also we ought to celebrate with full and thankful hearts.

Canada became a nation through hard work, initiative, co-operation, pride, and brotherly love, as well as respect for the efforts of our pioneers. Canada can remain a nation in which we continue to take pride if we all, as brothers and sisters in this family of provinces, and as a sister in a group of 40 countries, work together for the betterment of all Canadians, putting politics aside. Today it would seem to me politics and politicians are creating the feeling of discontent, not the residents of any one member of our family of provinces.

To change the name of this country would not alter the people's background, would not remove their culture or their heritage, any more than a person can change the colour of eyes or hair by changing the name he or she now has.

In closing, I want to bring to your attention, Mr. Speaker, the fact that there is a great deal of discussion taking place among the provincial and federal governments and among the Canadian people as a whole. It would seem to me this is not the proper time for us to discuss these small details that pertain to our over-all constitutional development.

I thank you for the opportunity of allowing me to bring these thoughts to the attention of this House at this time, Mr. Speaker.

Mr. Leonard C. Jones (Moncton): Mr. Speaker, in reading the very brief but very abrasive amendments called for in Bill C-232, entitled "a bill to amend the Holidays Act", I do not hesitate to say that I was appalled by the explanatory note that is included. The note refers to the word "dominion" in the Holidays Act as being divisive. This indicates to me that the hon. member presenting this bill, the hon. member for Vaudreuil (Mr. Herbert), surely has never read the words of his fellow party member, some of which were quoted by the previous speaker, the hon. member for Red Deer (Mr. Towers). I refer to the words of Senator Eugene Forsey on the term "Dominion Day".

May I just take a few more minutes to enlighten members of the House on his comments from an article written a number of years ago entitled "The Meaning of Dominion Day". I will just quote some of the excerpts which I think are particularly apropos in the discussion this afternoon. The first is as follows:

The Fathers originally wanted to call the new nation "the Kingdom of Canada." But the Americans raised such a storm that the British Government

took fright, and insisted on something else. The Fathers, for their part, insisted on something that would mark the new and higher status of the federation.

Sir Leonard Tilley, a great New Brunswicker, produced a solution from the Bible, the Book of Psalms, the 72nd Psalm, verse 8. I should like to quote from that, and perhaps we should read this more often in this House. It states in part:

He shall have dominion from sea to sea, and from the river unto the ends of the earth.

There are other excellent quotations which I think would be very apropos in this particular debate this afternoon. The article continues by stating that Sir Leonard's colleagues agreed with him, the Queen gladly consented and "Dominion" became the new nation.

Senator Forsey continued in his article as follows:

The title was a particularly happy one, for more reasons than one. First, and most obviously, it embodied the determination of the Fathers to bring into the Union all the British North American colonies from Newfoundland to British Columbia: "a mari usque ad mare," as our coat-of-arms says. It declared the "manifest destiny" of Canada to rule from the St. Lawrence to the North Pole.

Yes, Mr. Speaker, it is from the Arctic to the 49th parallel and from the Pacific to the Atlantic. The article continues as follows:

Second, and more important, is emphasized the religious basis of the new nation. Who was to have "dominion"? The King of Israel, the Lord's Anointed: the King, under God.

Third, it proclaimed the basic fact of our two cultures. For "Dominion" is not Anglo-Saxon. It is an old French word which dropped out of use in French but was preserved in our English Bible and our English Book of Common Prayer.

Fourth, it proclaimed, no less unmistakably, our new status. The French translation of "Dominion" is "Puissance," (Power); "Souveraineté", (Sovereignty); a far cry indeed from "province" or "colony," a foreshadowing of the independence to come.

● (1720)

Senator Forsey continues:

We celebrate, or we ought to celebrate on Dominion Day, four things—the continuity of our history; the duality of our cultures; parliamentary responsible government; and our membership in the Commonwealth.

The term "Dominion Day" denotes our history. It denotes our strength and it denotes our freedom. What word could more represent unity than "Dominion," from sea to sea? How can such a word be divisive? The Fathers of Confederation called our birthday Dominion Day. They called our country a dominion. It was christened that name. Surely to goodness 23 million or 25 million people in this country could not just go out and change their names. That is not the purpose. Dominion Day is history and it is the birth of our nation which we celebrate on July 1. It is the birth of our nation from sea to sea that we celebrate.

The term "dominion" came into being because of the birth of our nation. The name "Canada" was already in use before confederation in 1867. Therefore, it is definitely Dominion Day that we celebrate, not Canada Day. To proclaim July 1 Canada Day would be changing our history. I realize that the present government has the power to change our future, but I would hope that it is not powerful enough to change our past. Actions such as this can only be termed disgusting, distasteful and disrespectful to the Fathers of Confederation, who obviously chose the name "dominion" realizing the duality of our cultures and the foundation on which Canada was based.

Last year the government spent approximately $3.5 million on Canada Day. This money was spent on something that will not even exist unless this bill is passed. I wonder if the government would like to see this bill pass simply to give them a reason for their very lenient spending and their madness with money.

Before this day last year I questioned the Secretary of State (Mr. Roberts) about the matter of funds being used for something which was not yet law. At that time I asked the Secretary of State if his department or any department of the federal government had proclaimed July 1 as Canada Day. July 1 is still Dominion Day. At that time I asked if the minister would inform the House whether the government, and in particular his department, intended to discontinue the law of this House and this nation in this connection and if it intended to introduce legislation to change Dominion Day to Canada Day. As hon. members may recall, the reply was minimal and useless, not to mention inadequate. In effect the minister stated that he believed that the Governor General may very well issue such a proclamation. He did not know on what date this would occur and he continued by saying that the government intended to celebrate Canada Day on Dominion Day again this year. It was a typical, irresponsible ministerial answer.

The government went ahead last year despite the law and misused their privileges in so far as the people of this country are concerned. How can any government ignore laws of this kind? How can the government ignore such heritage? How can the hon. member who introduced this bill ignore our history and past, of which all Canadians can and should be proud? The hon. member and the government ought to be reminded of the fact that ignorance may be bliss in the short term but to possess ignorance as one's attribute is certainly not a good thing.

The government has ignored the reality of past tradition. The hon. member presenting this bill is ignoring our past history. I quite agree that certain changes should be made in the government, hopefully very soon, and in the governing of any country, but we cannot change our valuable past. I do not see why the hon. member would wish to change our past history and to base it on what he alleges to be divisiveness. Our history is one of which we should be proud. I am sure that my ancestors are proud of the history of this nation and I hope that the hon. member is also.

What is implied by the name "Canada"? It does not imply the over-all country because that is implied only in the name "dominion". I would further remind the hon. member that the name Canada, although it is also a name of which we should be proud, was first employed in reference to provinces in the names of Upper Canada and Lower Canada, not the whole country. Therefore the term Canada Day does not apply to our over-all history.

I wonder whether the hon. member has taken the time and had the foresight to buy himself a chisel so that he might

continue to change the name "dominion" where it is found on our beautiful Parliament Buildings? Does he intend to banish the gargoyles from the Peace Tower which symbolize our dominion from sea to sea and thereby give the literary meaning of "dominion" to the tower? Does the hon. member intend to restructure the arches over each entrance, especially the one over the east entrance which reads "Ye also shall have dominion from sea to sea"?

I make these statements not only to ridicule the presentation of such a bill, but to ridicule its application. The bill is nonsense and ridiculous. In taking the name dominion out of our Holidays Act, the hon. member is creating divisiveness. he is changing our history which will certainly divide the country on the ground of historian versus historian. He is changing the terms used by our forefathers and removing the word dominion, which will certainly divide the country between those who respect it and those, if any, who do not.

The hon. member would also be changing the name of the day on which we celebrate our christening from a term taken from the 72nd Psalm to one which, although meaningful, has no religious background. Surely as a nation we should be proud to have in our history and tradition a name that has religious connotation. It will certainly cause the religious persons in our country, of which there are many, to be alarmed, but I guess the hon. member likes the word "division" or "divisive", because that is exactly what the bill is.

I would guess that the hon. member is simply following government policy in his beliefs. For the event of our last celebration of Canada Day, that expensive bandwagon effort, songs were composed. The English song was named, "Canada, I want to shake your hand", while the French song was called "Canada, a beautiful country—a free country." Would the hon. member like to see two kinds of Canadas, two meanings to the day which celebrates the birth of our nationhood, two celebrations, one in French and one in English? Surely not. But that would appear to be the reasoning because the word "dominion" cannot be deleted on the excuse that it is a divisive word. It is an English word and a French word, a word which means the same in both languages and pleases everyone. Why take away this word which means the same thing in both our official languages? Is it all part of a plot to divide this country?

There can be no doubt, Mr. Speaker, that the word dominion was used to imply dominion from sea to sea. There is no doubt that the word dominion denotes unity and, therefore, cannot be considered to mean divisiveness. I am reminded of an incident when I was on tour with some constituents from Moncton. We were looking at the tower and I explained to my constituents that the gargoyles were like arms stretching from sea to sea and that our dominion was signified in the height, the power and strength portrayed in the tower. A constituent asked if it would not be possible to make the arm facing Quebec a little longer. Of course, this could not be done because it would mean changing a structure which stands for all to see and as a symbol of our freedom and our heritage.

[Mr. Jones.]

If the hon. member presenting this bill would like to change the name Dominion Day to Canada Day in order to please that group in Quebec which does not approve of our country or our heritage, then he would be changing our heritage just as if he were changing the gargoyles on the tower. It should not be done. It will create even more disharmony, and will make this country bend in the wrong direction. We cannot change history or tradition, nor should we wish to change something that we as Canadians should be proud of.

I close by reminding the House of what Senator Forsey said in his final words about the meaning of Dominion Day. He said:

● (1730)

> The Fathers of Confederation laboured, and we have entered into their labours not just the fruits of their labours: their labours. What they built, we must work to keep and enlarge. We can do it, but only if, in the words of Arthur Meighen, we remain conscious of our mighty heritage, proud of the imperial fountain of our freedom and of the flag that floats above us, worthy of those ideals of British liberty and justice which have sent their light forth and their truth among the races of all men.

We must build upon the works of our forefathers, upon the works of the Fathers of Confederation. We must not change their ideals. We should be proud of our heritage and our ideals. We should not condemn and change them. We should not tear asunder what our forefathers have built well for us.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, like those who have preceded me on the floor this afternoon, I am proud of the term "dominion" for my country. It is derived from worthy origins. I am at a loss to understand how any member of this House could venture into using the terminology the hon. member did in explaining why he felt moved to bring this bill forward to eliminate the divisiveness caused by this word; anything but divisive is the word "dominion."

[*Translation*]

I take the liberty of quoting from the Littré dictionary. I imagine that it is a derivative or another form of the word. "Dominion", which is the English equivalent, could lead to some misunderstanding or division. Perhaps it is the word "to dominate" which has led to that division but I see in Littré that the word comes from the Latin *dominari, dominus*, master. There is nothing objectionable about the word master. For example, they say in Quebec "master in our own house", meaning to dominate the country. But I read the meaning of the word. It is an intransitive verb which means: to rule supremely, to have supremacy over, to reign, or in wider sense, we can also read in Littré: to have influence, power, to surpass, to prevail. There is even a deprecatory meaning of the word, but I protest because there is no deprecatory meaning to the word "dominion."

[*English*]

Here again I turn to Littré where the word "dominion" appears as having been borrowed in 1872 from the Littré supplement.

[*Translation*]

I quote: "The English word meaning domination, power, applied for the first time by the British Parliament to Canada in 1867."

[*English*]

I see nothing objectionable about that. It is perfectly normal and perfectly respectable and something of which to be proud. Those who have preceded me have mentioned the origin of the word "dominion." They have traced it to the Psalms. It is worth citing not only the verse from the Psalms in English, but the same verse in French should be noted. I read from Psalm 72, the eighth verse. It reads:

He shall have dominion also from sea to sea, and from the river unto the ends of the earth.

We find the French reads as follows:

[*Text*]

Il dominera de la mer à la mer, du fleuve jusqu'aux bouts de la terre.

[*English*]

What is objectionable about that? That is Canada "from sea to sea." What this proposal ventures to do is to remove the word "dominion" from our motto "from sea to sea". These words are related in that one citation from the Psalms: "dominion . . . from sea to sea". We still have "A Mari Usque ad Mare" under our coats of arms. Why are hon. members trying to remove the word "dominion"?

Some hon. Members: Oh, oh!

Mr. Munro (Esquimalt-Saanich): I will come to another point. It is not just found in the Psalms. I see someone woke up on the other side. Also it is to be found in Zechariah, chapter nine, verse ten; perhaps not too many people know about this. It reads:

—and his dominion shall be from sea even to sea, and from the river even to the ends of the earth.

[*Translation*]

In French it reads as follows: "Son empire ira de la mer à la mer et du fleuve aux extrémités de la terre." The word "empire" is used in this case and not dominion or it will dominate, because it is a noun rather than a verb.

[*English*]

Surely that is really what this country is trying to do: to have its empire, its power, its strength from sea to sea. Yet we have a member on the government side proposing that that notion be destroyed.

An hon. Member: Canada, sea to sea.

Mr. Munro (Esquimalt-Saanich): I did not see Canada in any version of the Bible that I was able to find, with all due respect.

An hon. Member: You stick to the Bible and we will stick to history.

Mr. Munro (Esquimalt-Saanich): I had something to do with the making of this history too, and I hope the hon. member did.

Now I will deal with this possible origin of the divisiveness characteristic of this word. I may have found it. The word "dominion" has nothing pejorative about it at all in the English language. In the shorter Oxford I read that it is derived from the Latin *dominionem* from *dominium*, which is a concept in Roman law meaning lordship, ownership, property. That is perfectly straightforward and that is perfectly applicable to a nation which is coming together to unite and have a power in its own right. There is a further definition which is the power or right of governing or controlling. Perhaps the mover of this particular motion would be prepared to negotiate that one fifth or maybe four fifths. Dominion means there is no negotiation. It means one nation.

Perhaps, where we run into trouble is in the variant to dominion to dominate or to domineer. They are semantic differences. The origins are somewhat different but we can sense them. There is something pejorative in dominating and domineering because those words relate to arbitrary rule, despotic or imperialistic rule. That is not what we intend by the word dominion. If anyone is trying to seek a means of eliminating the division in this country, I ask him to go back to the flag debate and read the thousands of pages of *Hansard* to see the division that that created. It took a long time. I know there are many who are not happy with the flag which is now ours, but they accept it because the flag under which Canadians fought and died has been removed.

• (1740)

Why was that done? Because it had a Union Jack on it. They did not stop to think that Hawaii, the fiftieth state of the United States, still has a Union Jack on its flag, as does South Africa. Maybe if we could get the council of churches out of there we would be all right and it would stay there. If I am not mistaken, Newfoundland has the Union Jack as its flag.

Why are we seeking to eliminate the divisiveness? I think someone is trying to create it rather than eliminate it. There has been a general campaign by this government. It has been obvious since I have been in this House that the government is trying to eliminate all royal symbols and emblems. Is that in order to eliminate divisiveness?

Let us remember that there are people in this country who may venerate these symbols and emblems. Why are you going to walk over them? Why not recognize that we in this House have certain attachments to traditions and heritage? Granted, this government not long ago fostered a heritage movement. It is not a department of heritage, but a heritage commission or something like that, which will preserve that from the past which is invaluable.

Terminology, tradition, and even the flag are parts of our heritage that should be preserved. I spoke of the Post Office. "Royal Mail" no longer exists. It is now "Canada Mail, Poste Canada." Let us look at the origin of the fleur-de-lis. It had its

origin in the personal flag of Louis XIV. That is a royal emblem, so what are they kicking about?

The royal escutcheon and the Canadian escutcheon were eliminated for a time from RCMP vehicles. In the Post Office there is no longer royal mail.

I read the article that Senator Forsey wrote in 1956 wherein he reminded us that our first title was Kingdom of Canada. I think a kingdom without a personal king in residence is a difficult concept to get hold of, but not dominion. That is fine. Had we stuck with Kingdom of Canada, I bet that some of the anti-royalists around here would soon move to have that name eliminated.

As my friend, the hon. member for Red Deer (Mr. Towers), mentioned toward the end of his speech, part of our tradition is the Commonwealth. I find it tragically ironic that the day after we celebrated Commonwealth Day as guests of the Commonwealth high commissioners we are here trying to eliminate the divisiveness caused by the word dominion which is part of the Commonwealth. I do not understand what the hon. member for Vaudreuil (Mr. Herbert) has going for him or what he thinks. I do not know where he found this divisiveness. He should move about the country to see how much divisiveness there would be if this bill should become law.

An hon. Member: Rubbish!

Mr. Munro (Esquimalt-Saanich): It is not rubbish. It is absolutely true. I was born in this country and I know all about that. I represent a part of the country which is proudly in favour of dominion. It was proudly in favour of the Red Ensign because they fought under it. Let us not have any of this divisiveness nonsense. Canada is the name, dominion is our title.

Mr. Stan Schumacher (Palliser): Mr. Speaker, I would like to review for a few moments the history of the continuing campaign to destroy the heritage and symbols of this country of which we are so proud, Canada. This has occurred over the years I have been privileged to represent the people of Palliser in this chamber.

In 1970 Mr. James Brown, then the hon. member for Brant, the great grandson of George Brown, one of the Fathers of Confederation, introduced a similar bill. When it was sent to the justice and legal affairs committee, some interesting things happened. I was a member of the committee at that time. After hearing from Dr. Eugene Forsey, now Senator Forsey, a great and learned gentleman, the committee decided it would not accept the term Canada Day. It passed an amendment to the bill calling for a change in name from Dominion Day to Confederation Day. I am not here this afternoon to promote Confederation Day. I am here to promote the maintenance of Dominion Day, a proud and glorious name for the anniversary of the birthday of this great nation.

I wish to refer to an editorial in the Calgary *Herald* for Saturday, March 14, 1970, nine years tomorrow, headed "Desecration". I quote from the article:

Erosion of those historic traditions which gave Canada its distinctive character continues at a rapid pace.

It is now nine years later and the prediction of the *Herald* on that occasion has not been as they thought. The editorial continues:

Now there are people in Ottawa's governing circles who wish to expunge the term Dominion from living memory, even though it was conferred as title upon this nation more than a century ago and was made binding by usage and custom thereafter.

● (1750)

Mr. James Brown, a Liberal MP from Brant, Ontario, has a bill before the Commons' justice committee which would change the name of Canada's national birthday from Dominion Day to Canada Day. It would further distort history and pervert it to the use of nothing more than holiday convenience by having it fall on the first Monday in July, rather than on its legitimate date of July 1.

With this sort of thing going on during the past several years, it is small wonder that many older Canadians are wondering what is happening to their country and many younger Canadians are growing up not caring about it in the least.

Dr. Eugene Forsey, a political scientist, pointed out to the committee that the title Dominion is entrenched in the British North America Act, the nation's constitution. In other words, it is law. Not that this means very much to parliamentarians any more, considering acts that they pass which are of extremely doubtful constitutional validity.

The committee, making one of those empty gestures toward public opinion which have become commonplace of late, decided to postpone further consideration of the bill until after Easter. This would allow the public to comment upon the idea.

If participatory democracy follows its established course, no one will pay the slightest attention to what the Canadian people may think and another act of vandalism against the country's honorable heritage will be perpetrated.

Canadians used to sneer at the Russian Communists for rewriting history, making the past conform to present political expediency. Canadians need laugh no longer at others when they contemplate what is being done to their own past history. They can only weep.

Those words were written nine years ago tomorrow but, as far as I am concerned, the situation could not be more aptly expressed than it was in that editorial.

The effort by the government to change the name continued. In May of 1972 the Prime Minister (Mr. Trudeau) told us he hoped to have legislation passed in time for July 1 of that year. That came to naught. In 1975, another effort was made; fortunately, it too, failed. In 1977 the government again introduced legislation to change the name. The Secretary of State (Mr. Roberts) stated in correspondence that he was trying to respond to the views of certain Canadians. He never told us who they were, though; there has never been an adequate explanation of the need for this change. I have to say I received many letters on that occasion in opposition to such a change, some of them from young children. I received a petition from six-year old, seven-year old, and eight-year old children attending the J. K. Malloy school in Calgary saying, "Please, Mr. Roberts, keep the name 'Dominion Day' because it means something to us."

What concerns me more than anything else is the fact that the government frequently violates the law of the land, for example, by allowing the CBC—I might even say encouraging it—to use the words "Canada Day" on every occasion upon which it refers to the birthday of this country on July 1. The

CBC should be using the term "Dominion Day", the legal name for that day.

It disturbs me to find the government constantly trying to subvert the law when it lacks the gumption to change that law. I hope that if this bill receives its just desserts it will go to the bottom of the order paper and remain there until the end of this parliament. I trust there will be no move to revive it by unanimous consent, no sneaky tactics for bringing it back again, and that we shall see the end of it. For nine years this measure has encountered concerted opposition. There is no real feeling in the House in favour of passing it. I hope this business will stop and that the government will respect the law and ask the CBC to use the proper term in the future for our nation's birthday.

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, because of the established strength and greatness of this country, this broad Dominion of Canada, I would not have thought it necessary that any member of the House should take up time on this or any other day in an effort to change the name of our great national holiday, Dominion Day, which was laid down by the Fathers of Confederation, to some other name. I am proud to speak on behalf of most of the citizens of the constituency of Frontenac-Lennox and Addington who prefer to maintain the name "Dominion Day".

Some hon. Members: Hear, hear!

Mr. Alkenbrack: This private member's bill with its negative purpose, put forward by the hon. member for Vaudreuil (Mr. Herbert), reminds me that this is a day and age in which being erratic is as common as anything. The hon. member is acting in a manner which is consistent only with the erratic legislative records of the Trudeau government. The Liberals pretend to espouse and talk of unity, but out of their perfidy comes a bill like the bill before us, described as an act respecting national unity. I would draw attention to the word "respecting". I realize time is limited, but I thought I might sum up my feelings by quoting the words of a respected man who died many years ago, a man who adopted Canada as his country. I speak of that great Scottish-Canadian poet, Robert Reid.

Many members may recall this poem from their school days, and I am glad to place some of it upon our record because it best describes the love we should bear for our country, its sublime beauty, principles, and origins. Written in 1910, the poem begins as follows:

Sing me a song of the great Dominion!
Soul-felt words for a patriot's ear!
Ring out boldly the well-turned measure,
Voicing your notes that the world may hear;
Here is no starveling—Heaven forsaken—
Shrinking aside where the Nations throng;
Proud as the proudest moves she among them—
Worthy is she of a noble song!

There are a number of stanzas but I have time only to quote the first lines. The second verse begins, "Sing me the might of the giant mountains;" the third with, "Sing me the calm of her tranquil forests." In short, Canada, a dominion it is—a dominion let it remain.

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

At six o'clock the House took recess.

• (2000)

AFTER RECESS

The House resumed at 8 o'clock.

GOVERNMENT ORDERS

ENERGY SUPPLIES EMERGENCY ACT, 1979

MEASURE TO CONSERVE STOCKS

The House resumed consideration of Bill C-42, to provide a means to conserve the supplies of energy within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada, as reported (with amendments) from the Standing Committee on National Resources and Public Works, and motion No. 1 (Mr. Gillespie) (p. 4047).

The Acting Speaker (Mr. Turner): Order, please. At five o'clock the hon. member for St. John's West (Mr. Crosbie) had the floor, and he had five minutes remaining.

Mr. John C. Crosbie (St. John's West): Mr. Speaker, in concluding in my final five minutes I want to tell the people of Newfoundland and of Come-By-Chance, the people who want the oil refinery there that has been inoperative for three years, to open again, that there is only one chance for Come-By-Chance to open in the near future, and that is if the proposal of the First Arabian Corporation is accepted and goes forward. It is the only proposal now in play, and for that to go forward we need some action by the Government of Canada. That is the government that has failed the people of Newfoundland so lamentably in the last three years. It has made no effort to get this refinery under way again.

The things that are necessary for that refinery to go ahead are the following: First, the Government of Canada should put a real priority on offering the United States government some inducement to open their markets in the United States to the east coast refineries that are now operating at only 75 per cent of capacity. Come-By-Chance, while the First Arabian Corporation may be able to open it without that concession, both it and eastern Canadian refineries cannot operate at full capacity without access to the U.S. markets which will only come with

the extension of the U.S. entitlement program to them. The government has done nothing. It is not trying to induce the United States government to open their markets. It is offering them nothing. It is indifferent. It is guilty of gross negligence and wilful and wanton misconduct in office by taking no action in that direction.

Secondly, to reopen our refinery at Come-By-Chance we need an award to be offered to First Arabian or to the successful proposer of a deal for at least ten years at a nominal rent. It is of no value to the Government of Canada as it now is. They are getting no revenue on it. They never will unless the refinery operates again. That should go to First Arabian now at a nominal rent.

Thirdly, we need a guarantee from the Government of Canada that the powers they are taking under the legislation now before this House will not be used to interrupt exports of refined products from the Come-By-Chance oil refinery for at least a period of something like five to ten years. Otherwise, they cannot get the financing to re-open that refinery, nor can anyone else.

The fourth point is that this group now needs some assistance from DREE. The Department of Regional Economic Expansion should make assistance available to the group that wants to take over this refinery, which has to spend $50 million to put it into proper shape so that it will employ 500 people. DREE assistance should be made available to them to do that to create those jobs in Newfoundland again and the Atlantic provinces.

Fifthly, there needs to be some clarification on their tax position with respect to the companies that are going to supply oil to the refinery and market it.

If the Government of Canada does what is necessary in those directions, then the agency of the Government of Canada, FIRA, the Foreign Investment Review Agency, has to approve the application from this group for a transfer of ownership to foreign-controlled entrepreneurs. We know that there is no company in Canada, no group in Canada that wants to take over and operate this refinery, so that should be automatic, but there should be no delay or any waste of time in the application that goes to FIRA.

We also need, in that connection, quick approval by the Supreme Court of Newfoundland of the only proposal that has been put forward and found in three years' time that satisfies the receivers under the first mortgage. We need quick approval from the Supreme Court of Newfoundland, and we need the co-operation of dissident groups such as the Shaheen group, that they not try to appeal or delay any decision in this matter because of their own interest.

Mr. Shaheen has made a proposal. Mr. Shaheen had the refinery, which resulted in one of the greatest and largest bankruptcies in the history of Canada, a $600 million bankruptcy. Mr. Shaheen and his other companies took out of the Newfoundland refinery and the provincial refinery companies $50 million which was loaned to those companies by Japanese interests, and they have not repaid that sum. The trustee in the bankruptcy is now suing in the United States trying to get the $50 million back.

How can anyone take seriously a proposal from that group which has already removed $50 million and had the greatest bankruptcy in the history of Canada in Come-By-Chance, particularly when one of the aspects of it involves a commitment on behalf of Newfoundland and Labrador hydro that all their oil products should be bought from that refinery so that they can borrow money on the strength of that as part of their proposal?

• (2010)

To get that refinery open we need to overcome these obstacles so that in March of 1980 construction can start leading to the reopening of that refinery in 1981. If that is not done, if the Canadian government does not take these steps, if it does not do the things I am suggesting should be done, if it does not fall into line in the next several months with respect to the points I have made, then the refinery at Come-By-Chance will not open.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Crosbie: Mr. Speaker, did I not get unanimous consent?

Some hon. Members: No.

The Acting Speaker (Mr. Turner): The hon. member for Calgary Centre (Mr. Andre).

Mr. Crosbie: The Liberal party is preventing this refinery from being reopened. It is the Liberal party that people in Come-By-Chance will notice. They are preventing the case from being put before the people of Canada.

An hon. Member: We do not like clowns in the House.

The Acting Speaker (Mr. Turner): Order, please. I definitely heard someone say no.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Turner): Order, please.

Mr. Crosbie: The government has said no and they have been saying no for three years.

The Acting Speaker (Mr. Turner): Order, please. The hon. member will please resume his seat.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Turner): The hon. member for Calgary Centre has the floor.

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, I certainly agree with my colleague, the hon. member for St. John's West (Mr. Crosbie).

Some hon. Members: Oh, oh!

An hon. Member: There is no doubt that you are another clown.

Mr. Andre: The Liberals are not interested and indeed, in all seriousness, the fact is that one of the tragedies of this whole energy situation is the failure of the government, the failure of that group of people, to realize the opportunities in the energy sector for employment, for investment, and for economic growth that Canada has.

It is interesting to note that since the OPEC embargo in 1973 which started the whole energy fiasco, Canada has been in an unique position compared to the other nations of the industrial western world. We have been the only nation which has had significant available supplies of oil and gas. Nations like the United States import large amounts of oil and gas. Nations like Germany, Japan, Switzerland, and The Netherlands, import virtually 100 per cent of their oil and gas. Yet every single one of the countries I have just mentioned has had an economic performance far outstripping Canada's. Every single one of those countries which imports its crude oil and natural gas has trade surpluses that are growing. Every single one of those countries has a currency that is stronger than Canada's.

When you look at the opportunities, the base strength that Canada has in its oil and gas, and when you look at the performance of our economy under the direction of that group of incompetents, and compare it with the performance of countries like Japan, Germany, Switzerland and The Netherlands, you have to reach the conclusion that something is wrong. We are not doing very well, given the opportunity we have of being self-sufficient. You have to be some kind of simpleton, a little soft in the head, to believe that Petro-Canada is going to change all that, that now we will suddenly start doing very well because we have a Crown corporation. As a matter of fact we have over 400 Crown corporations, growing like dandelions in April or May. If Crown corporations are the answer to our problems—I see the Minister of Transport (Mr. Lang) smiling—how come that all our Crown corporations in the transportation sector cannot cure our problems there?

We have a Crown corporation in the airline business, a Crown corporation in the railway business, and a Crown corporation in shipping. We have about 50 Crown corporations in the transportation sector alone. With all those wonderful Crown corporations, headed by all the brilliant people whom the Government of Canada appoints to head these operations, people like Bryce Mackasey, we should not have any problems in transportation; everything should be cured. If Crown corporations are the answer, why do we have any problems? You have to be soft in the head to believe that Petro-Canada, a Crown corporation, is going to cure our energy problems. You have to be soft in the head to think you can appoint former civil servants to be president and vice-president of this group and expect it will be a wonderful organization which will cure all our problems.

This amendment proposed by the minister to make Petro-Canada the minister's representative on the standing group on emergency questions within the International Energy Agency, is a bunch of pre-election fluff designed to create the impression that, by having this Crown corporation, the government is looking after Canada's interest in this agency in Paris, that somehow we will be better off, that somehow this will make us better off. The rationale was incredible.

The minister said we had to have Petro-Canada because there would be multinationals advising other countries who sat on this group and that, without our own multinational to advise us, we might be shortchanged by these shifty people in the alliance. Basically that was his rationale. It is interesting to note, when you go down the list of countries that have signed the IEA agreement, that Norway has a Crown corporation, but the United States does not, the United Kingdom does not, Germany does not, Belgium does not, and Denmark does not. Indeed, if you look at that list you find that none of those countries listed there have control over the multinationals about which the minister is so concerned.

This motion is absurd on the face of it. It has more to do with an upcoming general election than with trying to seek a satisfactory legislative arrangement to deal with any future energy crisis which the country might face. It is almost as absurd as the minister's statement this morning that Petro-Canada was going to purchase 100,000 barrels of oil from Venezuela. Look at the situation that Petro-Canada would face. Every western industrialized nation is a net importer of energy. Every country will have felt the pinching in one way and another in the cutback of Iranian supplies. Therefore it is logical to assume that every single one of these western industrialized nations, every single oil importing nation, will be in Venezuela now negotiating with the Venezuelan oil companies arranging some sweetheart deal to offset the oil which they lost from Iran.

● (2020)

In the United States alone there must be 50 companies which import crude oil from one place or another to supply their customers. Every single one of those companies will be negotiating with the Venezuelan national oil company. Right now Venezuelans are being chased and courted by scores of companies. Possibly it is 100, but certainly there are well over 50 different companies and countries wishing to purchase fuel oil to look after their needs because of the disruption from Iran. Could we be so naive as to believe that Petro-Canada will be able to go to Caracas and say, "Alastair Gillespie sent us. Could you please sell us 100,000 barrels a day indefinitely into the future?"

An hon. Member: Better going there than going to Peter Lougheed.

Mr. Andre: That is a comment, "Better going there than going to Peter Lougheed"! Will that outstanding Canadian identify himself? He would rather buy oil from Venezuela than from other Canadians. My, my, my, are we not pleased to have an outstanding Canadian like that in the House?

It is absolutely absurd to suggest Petro-Canada will get anything except a door slammed in its face when it goes to Venezuela. What possible reason could there be for Venezuela to cut off one of its other customers to deliver 100,000 extra barrels of oil to Petro-Canada? What possible reason could Venezuela have to do that? Do we have some sweetheart arrangement with Venezuela? Does Venezuela have a soft spot in its heart for Canada and Petro-Canada? If it does, I am not aware of it, and I would be surprised if any other Canadian is aware of it.

In a sellers' market, which is what we are in with oil, why would the seller bend over backward to do a special deal with Canada, one of 100 buyers knocking on its door? Venezuela is producing to capacity. It has not additional capacity to sell. In order for Venezuela to direct 100,000 barrels of oil a day to Petro-Canada it would have to be subtracted from one of its other customers. Why would they do it? Can anyone provide a possible explanation as to why that might happen?

Last Tuesday or Wednesday in committee the Minister of Energy, Mines and Resources (Mr. Gillespie) was asked by the hon. member for Sault Ste. Marie (Mr. Symes): why not have Petro-Canada buy all of Canada's offshore oil supplies? The minister replied quite accurately that it would be a tragedy, it would be doing damage to the national oil company, and it would destroy the national oil company if it is sent into that market place with instructions to buy all of Canada's energy. It is a sophisticated, complex market, with hundreds and hundreds of players. Given the fact that Petro-Canada is run by a couple of ex-public servants, it would get eaten alive in that market place and it would be destroyed. That was the minister's reply last Tuesday. Suddenly he said today that he thinks there is more political opportunity to have a fight with Jack Armstrong of Imperial Oil and threaten him with Petro-Canada. That is the decision the minister made. He should go back and read what he said last Tuesday because he was right.

The suggestion that Petro-Canada will be able to negotiate a sweetheart deal with Venezuela is a bunch of pre-election fluff. The only hope the minister has is that Venezuela will not say no until after the election is held. Then people will not hold the minister responsible for this piece of nonsense.

There is only one solution to Canada's problems and that is for us to become self-sufficient in energy. That is not whistling in the wind, or pie in the sky. It is absolutely possible within the near future. It is absurd for Canada to continue in the position where Canadians in eastern Canada, Atlantic Canada and Quebec are being held at ransom and are being threatened continually by unstable sources of offshore oil. It is absurd to continue that posture when we can and should be self-sufficient. We could be that way soon.

Hon. members opposite are great admirers of Petro-Canada. I should like to refer to a quote from the Calgary *Herald* of February 23. It was an interview with William Hopper, the President of Petro-Canada, by Garry Fairbairn of the Canadian Press. In part the article reads:

> If Ottawa and the provinces would only come up with the right tax and royalty rules he says, multibillion dollar plants would spring up in the Alberta oil sands and Canada would be self-sufficient in oil within 20 years.
>
> "I hope the federal and provincial governments get their acts straightened away to the point where they can make those projects viable. And they can be viable.
>
> "Christ, I mean we can build a dozen plants up there and become self-sufficient in the nineties if we had the political will to settle our problems and to get the tax regimes and the incentives down so that we would suck in the private sector money to make them go.
>
> "It's as simple as that."

That was said by the President of Petro-Canada, and he is dead right. It is as simple as that. It is about time we stopped playing the stupid political game of picking phony fights with Imperial Oil, and got on with the main problem of making the country self-sufficient. We should stop picking fights with Peter Lougheed, Bill Davis, and Imperial Oil. We should get on with the business of making the country self-sufficient. Then the government would be fulfilling its responsibilities.

Mr. Lang: It is Peter Lougheed who is picking a fight with Bill Davis.

Mr. Andre: The Minister of Transport has a very short memory. He does not recall the incident of September 8, 1973, when the Prime Minister (Mr. Trudeau) unilaterally, without discussion, and after promising he would not do so, imposed a price freeze. The minister does not remember that. Perhaps he remembers the budget of May, 1974, when his former colleague, the newsletter writer from Toronto, introduced a budget which disallowed royalties from income tax deductions and brought the industry to a grinding, screeching halt. Perhaps the minister does not remember that bit of treachery. If the minister wants to look back at who caused those battles, he can look back at the facts.

The Minister of Energy, Mines and Resources stood up before the committee and made the statement that it is up to Lougheed to get the tar sands going, and the leader of the Liberal party in Alberta said, "Fire Gillespie, fire Gillespie; he is incompetent." One cannot stand back and say that the problem is coming from there.

Mr. Lang: Is the hon. member supporting the provincial leader of the Liberal party?

Mr. Andre: No, I am not supporting the Liberal leader in any province or in Canada.

Mr. Lang: It sounds like it. You cannot have it both ways.

Mr. Andre: The Minister of Transport would suggest that he and his colleagues in government have been sweet reasoned. I would point out that everyone else in the country disagrees with the minister, including his own Liberal party partisans.

Mr. Lang: If the hon. member disagrees with him, then he is on our side.

Mr. Andre: Even the Liberals in Alberta are not wrong all the time; they are just misguided.

On the face of it the motion is absurd. It is absolutely unnecessary. It has nothing to do with trying to save Canada from any energy crisis. It has a lot to do with the upcoming election and what the minister and his colleagues perceive to be a good election issue.

There is one other aspect I should like to mention, the power and authority the bill grants this government and the possibility of abuse of that power and authority. The case has been made that if we face a real crisis, if our crude oil is cut off, the government needs the power to implement allocation and rationing so that Canadians do not suffer unduly and that there will be some spreading of the burden. No one disagrees with that.

• (2030)

I would remind the House that at one time the government introduced a bill which said that in the event of war it needed the power to implement drastic measures to protect the country from war and its consequences. The House agreed and passed the War Measures Act. At the same point in time this government said it needed the power to protect national secrets and to prevent enemies of Canada from gaining access to secrets as this might damage the security of this country. This House agreed and allowed the government to pass the Official Secrets Act. I wonder if Dr. Peter Treu or Mr. Worthington could offer any example of what happens when excessive power is put into the hands of people who sometimes wield that power irresponsibly? I wonder when we are ever going to get the facts about the implementation of the War Measures Act in 1970?

We have had examples of what happens when this government realizes it can utilize the tremendous powers it has been granted by parliament, even though the situation may not be precisely the same as parliament anticipated when it passed the acts granting that power. This measure contains within it precisely the same kinds of powers and the same kind of excessive authority contained in the War Measures Act and the Official Secrets Act. We have evidence that this government can abuse its powers. There are people over there now, there have been in the past and we can anticipate that there may be some in the future, who can and will abuse that kind of power.

We have the example of Dr. Treu and other Canadians who have been the victims of that kind of abusive use of power. When we realize that, we must stand back and take a look at what we are doing. We must ask ourselves whether we are not now experiencing the same kind of crisis election issue that might be exploited or lied about; are we not damaging our responsibilities here; and, are we not damaging the country by giving this or any government or state that kind of authority? I certainly would not and do not rest easy when allowing this government that kind of authority, given the manner in which it has abused this authority in the past, and given the possibility that people like them might come to power in the future and be tempted to abuse these powers again.

I see that my time is practically up, Mr. Speaker, and regrettably—

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

Some hon. Members: Agreed.

Some hon. Members: No.

[*Translation*]

Mr. Pierre Bussières (Parliamentary Secretary to Minister of Energy, Mines and Resources and Minister of State for Science and Technology): First, Mr. Speaker, I would like to comment for some time on the main point or the main criticism that has just been made by the previous speaker, the hon. member for Calgary Centre (Mr. Andre). He suggested that the proposition made by the minister to amend the bill is absurd. And to understand all its "absurdity" I shall read again an excerpt from it. It says and I quote:

> The Board shall study and keep under review all matters relevant to a full understanding of the international petroleum supply situation and shall from time to time report thereon to the Minister of Energy, Mines and Resources together with such recommendations as appear to the Board to be appropriate and relevant to ensuring that Canada is fully prepared to meet any petroleum supply emergency with well prepared and timely plans for action.

Well, Mr. Speaker, the hon. member for Calgary Centre suggests that it would be absurd to ask the board to look into the international situation for the purpose of understanding better the over-all market condition, to introduce a piece of legislation providing for a triggering mechanism for the allocation of crude supplies and, at a later stage, for the rationing of oil products. He would prefer to leave the government without sound reasons or arguments to decide that an emergency situation exists.

A number of people, including the hon. member and a few of his colleagues, have often wondered why there is no definition of an emergency situation in the bill. I even remember, Mr. Speaker, that the Ontario government representative deplored in his notes to the committee that there was no definition of an emergency situation. When we examine closely the amendment proposed by the Minister of Energy, Mines and resources (Mr. Gillespie), we realize that the purpose of the review and surveillance is precisely to obtain facts, follow a situation and see it develop, in order to be able to decide when the time comes, whether an emergency situation exists. Mr. Speaker, I fail to see—in fact, I see the contrary—how one can ask for a definition of a state of emergency in the bill and then claim that the amendment of the minister is absurd. Indeed, the amendment meets one of those objectives by asking that the board study and keep under review all matters relevant to a full understanding of the international petroleum supply

situation, as well as the domestic one, to then give advice, information and recommendations to the government and so enable it to judge advisedly the situation.

Mr. Speaker I should like to make a second comment on the remarks of the hon. member for Calgary Centre when he says that it is absolutely absurd for Petro-Canada, which belongs to all Canadians, to obtain 100,000 barrels more from Venezuela. I ask him: And why not? I feel that the hon. member does not show much faith in a company that, first of all, belongs to all Canadians, and second is headed and managed by Canadians. To my mind, Canadians have proved, in other fields of endeavour such as development, exploration and other fields of oil products activity, that they have all the talent, intelligence and resources necessary to do so. I really cannot understand why the boldness they have proved in that field and others, cannot serve them as well, as the hon. member for Calgary Centre would have us believe, in this particular instance, that of special negotiations with Venezuela.

● (2040)

Mr. Speaker, the hon. member also showed contempt for the members of the public service of Canada, and I do not agree with him really. I do not see why being a member of the public service, someone has not got the intelligence, knowledge and imagination necessary to sit on a board of directors and to manage efficiently any company.

I hope that his colleagues do not all share his opinions because, and it is the view of hon. members on this side of the House, we have a very able public service in Canada, with the professional knowledge necessary to administer and manage properly the state property, and we are sure that civil servants can use this knowledge and those talents in other fields. If we look at the progress made by Petro-Canada, we see that those people have done a tremendous job since the establishment of that corporation.

Mr. Speaker, we must remember the objectives of the bill. Since 1973 it has become commonplace to speak of the fragility of world oil supplies. New dimensions have been added to world crude exchanges, and that is where we must look for the cause of the crises we have known from time to time. We have had another crisis recently and because of this and also because of Canada's commitments with its International Energy Agency partners, the Canadian government has seen fit to propose again to the members of this House the legislation it needs to live up to its international commitments and to ensure an equitable domestic allocation of oil products in case of a major energy crisis.

Some members have suggested that if the government had taken the proper measures we would not have to bring back this bill. In the same breath they add that the government should have this legislation, but that it is not the right time because we are not facing an emergency situation. Mr. Speaker, first I would like to comment on this last point. We are being told that the government must have this instrument or tool, but that the time is not ripe since there is no emergency. According to an old adage, Mr. Speaker, one of the government's functions is to foresee the future, to foretell the turn of events and to provide for adversities. It is really in this perspective, Mr. Speaker, that the bill was tabled. I am convinced that those hon. members opposite who are most adamant in their opposition to the bill would, if ever the country is caught in an emergency without this means to act, blame the government just as loudly for not having this legal instrument to take action in the face of an emergency.

They are obviously aware that the government's foresight will deprive them of the pleasure of blaming the government in such a situation. And we will obviously deprive them of this pleasure by giving ouselves, under this bill, the necessary means to take action should a national emergency arise.

Mr. Speaker, it has been said that the government has done nothing to reduce eastern Canada's dependence on imported products. We have at least reduced imports by 40 per cent, simply by extending the 315,000-barrel pipeline from Sarnia to Montreal and making supplies of Canadian crude from the producing provinces available, especially in Quebec.

Forty per cent, Mr. Speaker, is a significant reduction in eastern Canada's dependence on imported oil products.

They use this criticism to say the Progressive Conservative party has a well-established energy policy. This is something they discovered in the past fifteen days, so I was surprised indeed at their discovery. Mr. Speaker, they discovered the word "autonomy" as if that word had been put in the dictionary yesterday. Yet, several years ago the Government of Canada under the initiative of the Minister of Energy, Mines and Resources published a paper entitled "An Energy Strategy for Canada—Policies for Self-Reliance". Mr. Speaker, that is done, that exists, it is good, it was examined, it was considered. Furthermore they talk of a policy of autonomy as if it was a big discovery. But I am still waiting, Mr. Speaker, for them to tell me about the price we will have to pay for that policy of autonomy. What price are Canadians going to have to pay for that policy of autonomy? Well, I encourage them also to read and not only look up words in the dictionary and they will see that an excellent document about the financing of energy autonomy in Canada was published in 1977 at the request of the Minister of Energy, Mines and Resources. Mr. Speaker, those are not discoveries we have been making in the past two weeks. This government has long since been preoccupied with examining the situation and the vulnerability of Canadians in the area of energy, making Canadians aware of that situation and particularly taking aggressive and timely steps to correct the situation and making sure Canadians get the best performance in the area of energy.

Mr. Speaker, I cannot help but reply to certain comments made by the hon. member for St. John's West (Mr. Crosbie), I think, who spole about the refinery at Come-By-Chance. I

always find it odd, Mr. Speaker, to see the great proponents, the champions of private enterprise literally come and cry in this House to plead with the government to save that endangered private enterprise.

Mr. Speaker, the only argument that the hon. member could find about Come-By-Chance was to put down Petro-Canada. By doing so, he thinks that the government will make it its duty to save Come-By-Chance. I was rather surprised to hear this, Mr. Speaker. He gave us a list of companies which are interested in re-opening Come-By-Chance. He said that these people have money and oil supplies, that there is no problem, that these companies have plenty of money.

Moreover, the hon. member said that he expected an affirmative answer from someone or another. Why do these people not take over if they can do so? Why does the hon. member, who is such a great defender of free enterprise and such a great attacker of Petro-Canada, not tell about his crying and supplications to his friends of the Newfoundland government? I imagine that he must still have a few friends in that government. If the situation—

An hon. Member: Not many!

Mr. Bussières: I am told that he does not have many left. This might well be true. It has even been said, Mr. Speaker, that the hon. member did not present any serious argument. I for one quite agree with this. It is not by clowning and denigrating a government institution or a corporation which belongs to all Canadians that you can pose as a defender of private enterprise. Private enterprise does not need any cry-babies to defend itself. When the market is favourable and the private sector is sure to make money, it does not need any cry-babies to reopen refineries, and I am convinced, Mr. Speaker, that notwithstanding the complaints of the hon. member, when the market comes back to normal, the people who are interested will put the refinery back in operation and continue to operate it.

Mr. Speaker, I cannot but repeat what the Minister of Energy, Mines and Resources said before the members of the committee, namely that there have been and there still are ongoing meetings at the political level between the minister himself and his American colleagues, and that the officials of the Department of Energy, Mines and Resources have met their conterparts in the United States government to study this possibility to use the overcapacity of eastern Canada refineries.

As the hon. member emphasized this afternoon, Come-By-Chance is not the only place where there are problems caused by the overcapacity of eastern refineries. The situation is similar in Quebec and New Brunswick. It is highly desirable that our neighbours to the south be able to use that overcapacity of our refineries so that they can operate at full capacity.

Mr. Speaker, this bill and particularly the amendment just proposed by the minister is extremely important for all Canadians. It is important because a government cannot allow that its citizens, whose common welfare it must protect, have to suffer because of the fragility and uncertainty of a constantly changing international situation. This is precisely the purpose of this bill.

The previous bill expired automatically as it included a clause providing for the re-establishment of those measures. We shall apply them with the same discernment and determination always demonstrated by this government.

Mr. Speaker, I would like to conclude my remarks by emphasizing once again the work accomplished by the Minister of Energy, Mines and Resources, first of all in the field of energy conservation through various public awareness programs, through the research program aimed at finding new techniques for the utilization of renewable energy sources, and also through efforts aimed at reducing the dependency of eastern Canada and more particularly the province of Quebec on imports.

I repeat, Mr. Speaker, the figure I was pointing out earlier, that dependency has been reduced by 40 per cent when it became possible to direct to Montreal 315,000 barrels of crude oil from our producing provinces, from Alberta.

Those were, Mr. Speaker, the few remarks I wanted to make, and I will now give other colleagues the opportunity to speak.

● (2050)

[*English*]

Mr. Gillespie: Question.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I notice the Minister of Energy, Mines and Resources (Mr. Gillespie) wants the question put. I do not doubt that the question will be put before the night is over, but I think it is important that first we get a few things into perspective about Petro-Canada, in particular, why the government wants to give Petro-Canada this new role with regard to the international agency.

We should consider what the rationale is behind the government being so defensive of Petro-Canada. Why has the government taken Petro-Can unto its heart and bosom to such a degree? We all know that the Prime Minister (Mr. Trudeau) has stated that his party should be on the left but no further left, whatever he means by that. Presumably the Prime Minister means that such things as Petro-Canada are not only good for what he regards as the country, but they are also very good for the Liberal party. I say this because we have something in Petro-Canada that has long been sought after by certain civil servants and by those power hungry people on the government benches who just love power for the sake of power.

When one hears the way in which the Minister of Energy, Mines and Resources attempts to extol the virtues of Petro-Canada, somehow one loses sight of what Petro-Canada really is. For example, if we take a look at the prospectus they were required to file at the time they offered to purchase all of the

shares of Pacific Petroleums Ltd., we find they say that virtually all of Petro-Canada's operations are conducted through Petro-Canada Exploration Inc.

I draw hon. members' attention to that because it should be remembered when we were processing Petro-Canada through this House that many of us put great importance upon the actual powers granted to Petro-Can. We suggested that there be certain reservations to try to ensure that Petro-Canada would not end up as an embarrassment not only to the government but to the Canadian public. However, we find that the government has effectively taken that vehicle, established a subsidiary called Petro-Canada Exploration Inc. and through that company, a company called Petro-Canada Inc. and a company called Petro-Canada Industries, virtually carried on the entire business of what we notionally thought was Petro-Can.

When the minister or other members of the government stand up and start glorifying this great thing they call Petro-Canada, let us not forget what they have done. They have taken a vehicle that was empowered by this parliament and then passed virtually all of its assets and activities through the various subsidiaries. The prospectus tells us that those subsidiaries are run by four people. First comes William Hopper who we know is the chief executive officer, director and president of Petro-Canada; then come Joel Bell, Andrew Janisch and David O'Brien. Let us not be mystified by the Minister of Energy, Mines and Resources when he puts Petro-Canada slightly this side of a deity. Petro-Canada has had itself torn out and most of its activities are in subsidiaries run by four people.

Perhaps the most interesting thing that has happened to Petro-Canada since the government had the right to use this corporation on behalf of Canadians was the appointment of nine directors to the board of Petro-Canada. You talk about a haven for Liberals, well, there you have one. Every time we hear these Liberals stand up and wax eloquent about Petro-Canada, remember the people who are on the board of Petro-Canada. I will outline them for you.

There are three civil servants on the board of Petro-Canada. I am not suggesting that that is wrong. Obviously if the government wishes to incorporate such a company, presumably it has the right to appoint deputy ministers such as Mr. Arthur Kroeger who is deputy minister of Indian Affairs and Northern Development; Mr. Tom Shoyama who is now adviser on constitutional policy in the Prime Minister's office in Ottawa; and Marshall Cohen, deputy minister for the Department of Industry, Trade and Commerce. There are three other directors who sit on the board of Petro-Canada and these three directors read like a Who's Who of Molson's industries. We find the company that Senator Molson is so closely identified with has supplied no less than three directors to Petro-Canada's board. What an interesting coincidence.

An hon. Member: Senator Molson is a Liberal, is he?

Mr. Stevens: Some say Senator Molson is a Liberal.

An hon. Member: He is well oiled.

[Mr. Stevens.]

Mr. Stevens: I know Senator Molson has been taught to sit on the Liberal benches in the other place. Then there is a former senator, the Hon. John B. Aird, who is another Liberal. As you will recall, Senator Aird retired from the senate in 1974. One might also say that the lesson here is if there is no more room in the Senate one has to go no further than to join the board of Petro-Canada. From the Molson's group alone there is Donald Harvie, who happens to be deputy chairman of the board of Petro-Can. Then there is the former senator, John B. Aird and, of course, Donald Willmot, who is the head of Molson's. All three come from the Molson group of companies. If the minister gets the opportunity I hope he will tell us what was the thought behind the Liberal government's move to select those three people from the private sector, all from Molsons, to go on to the board of Petro-Canada.

● (2100)

Mr. Dionne (Northumberland-Miramichi): Did you ever hear of success?

Mr. Stevens: Mr. Speaker, old Donald Duck says have I ever heard of success.

The Acting Speaker (Mr. Turner): Order, please. I suggest the hon. member refer to another hon. member of this House by his constituency and not by a name.

Mr. Stevens: Mr. Speaker, I, for a moment, forgot the hon. member's constituency and that was why I referred to him by his more usual name.

As I was saying, we have three civil servants and three from Molsons. Here are some of the other people who sit on the board. I am sure these names will also have a familiar ring for those who know the inner charmed circles of the Liberal party. There is Claude Hebert, chairman of Bombardier, M. L. W. of Montreal, and David Mann of the law firm of Cox, Downie, Nunn and Goodfellow of Halifax.

Mr. Dionne (Northumberland-Miramichi): Did he go broke?

Mr. Stevens: He certainly didn't go broke for the Liberal party, that's for sure. We know he is a pretty good friend of the party in power. What I am trying to say is, let's not call it by any other name. Petro-Canada has become an old-fashioned billion dollar pork barrel for a lot of Liberals.

Mr. Andre: Two billion.

Mr. Stevens: Perhaps two billion is correct, although it may well be three billion by this time, if we only knew the facts. That is the directorate.

Something I would ask hon. members to note is that on that board of directors there is not one person other than the actual management of Petro-Canada who has any connection with the energy field or the various subjects we are discussing concerning allocations and this type of thing. However, we find the minister almost blindly coming in and saying he wants to amend his own act to permit Petro-Canada to be the nation's

representative on an international body dealing with oil allocations. Why?

I have run through the board. I would like to mention one other thing. Most of us have seen the prospectus put out by Petro-Canada Exploration Inc. which is described as an indirectly wholly-owned subsidiary of Petro-Canada. Who is the first dealer manager for the offer in Canada? It is Pitfield, Mackay, Ross & Co. Ltd. Guess who happens to be one of the senior partners in Pitfield, Mackay, Ross? The brother of Michael Pitfield who sits on the right hand of the Prime Minister.

Isn't it an interesting little ball of wax that starts to unravel? We can see why the government is so defensive of Petro-Canada, why it is representing to the Canadian nation that somehow Petro-Canada is the great solution to some of our energy problems. In short, it has grown to love Petro-Canada for obvious reasons, and I think we all understand what those reasons are.

Let us look at Petro-Canada. We have been told that it is needed for various reasons. When the initial bill was introduced in this House by the then minister of energy, mines and resources, Donald Macdonald, on March 13, 1975, almost exactly four years ago, Mr. Macdonald stated as reported in *Hansard* at page 4037, referring to the proposal to incorporate Petro-Canada:

> This does not mean that the government finds that Canada has not been well served by private enterprise in the petroleum industry. Private companies, whether Canadian or foreign-owned, have generally worked vigorously to develop our oil and gas resources, to create transportation systems for them, and to refine and distribute efficiently oil products. The privately-owned Canadian oil industry has a good record of technical and managerial innovation.

Mr. Hnatyshyn: Is that Petro-Can?

Mr. Stevens: No, that is the private industry that Mr. Macdonald was in effect saying had been doing a good job. Nothwithstanding the fact it was doing a good job, he thought Petro-Canada was needed at that time largely, hon. members will recall, somehow to go out into the exploratory fields to find oil that otherwise might not be found in Canada.

I find it most strange now to hear that the very industry that the government now represents as being the villain, at the time that this act was being put through parliament was said to be virtuous, that there was nothing wrong with the private industry, be it Canadian or foreign-owned. What has gone wrong in the last four years? What caused the government now to say that not only is the industry not doing a proper job but we must start taking over sections of the industry, such as their takeover of Phillips Petroleum, and now wanting to get into this international type of activity?

Another question that we must consider when looking at this amazing evolution that is taking place with regard to Petro-Canada is why exactly have they struck out from Canada. It is one thing for Petro-Canada to hope to find oil on our east coast, in the Arctic area or some other frontier, but why did they go to China? Why did they jump to Pakistan? Why have they been in other Asian countries such as Vietnam if not signing up deals or at least looking for them? I don't know.

Is this the influence of Maurice Strong who was initially chairman of this company? Again we have one of those strange coincidences that we seem to get with Petro-Canada. Maurice Strong subsequently became a Liberal candidate in one of the Scarborough ridings. When he realized he could not win if an election had been called, he simply resigned his nomination and presumably is going into some other field.

We have a situation with Petro-Canada where, if we do not somehow call it what it is, the government will be able to foist a future tremendous cost on the Canadian public, and a future problem that no Canadian would be willing to accept if given the chance to say yes or no, does he want to invest in a company called Petro-Can which is run mainly by civil servants and Liberal directors.

Something else I found interesting about the defence of Petro-Canada by the Minister of Energy, Mines and Resources, not just in the House but in articles he has written for such periodicals as the *Financial Post*, is that he tries to justify it on the grounds that this is the government's answer to foreign takeovers in this country. He suggests that somehow or other this is Canadianizing the petroleum industry in Canada.

Mr. Gillespie: Are you suggesting it is not?

Mr. Stevens: I suggest it is not so much Canadianizing the oil industry that the government is interested in but Liberalizing the oil industry. Mr. Speaker, I know you are familiar with the arrogance of those who sit on government benches. Imagine them saying that to Liberalize is the same thing as to Canadianize.

● (2110)

An hon. Member: Who said that?

Mr. Stevens: The reason I draw this to the attention of the House is that the near socialists on the government side are actually playing the socialist tune when it comes to this question of foreign ownership. It is not so much that they believe foreign ownership to be wrong, but they see that if they can wave a Canadian flag in the name of Canadianization or nationalizing certain companies, they can increase state ownership on the pretext of bringing back foreign-owned companies to Canada.

Our position is that it would be preferable if more of the oil and gas industry were owned in Canada. If the government had not structured our taxation system in such a way that it benefited foreigners at the expense of Canadians, more of the industry would, indeed, be owned by Canadians at the present time. We on this side are still confident that if Canadians were given an opportunity they would increase their ownership in our gas and energy fields so that they would be owned not by the state but by Canadians. I am most reluctant to let the Liberals get away with the impression that somehow they are the great nationalists when the facts show this is not the truth.

After hearing the Minister of Energy, Mines and Resources speak on the subject I thought it would be interesting to see what FIRA had done with regard to the petroleum industries

which have been taken over by foreign firms within the last three or four years. What do we see that federal watchdog doing to make sure that foreign ownership does not increase? Here are the facts. In 1974-75 there were eight applications before FIRA with respect to Canadian petroleum companies subject to being taken over by foreign concerns. Of those eight applications, seven were approved. In the following year eight out of eight applications were approved. In the year after that, three out of three were approved. In the following year, four applications out of five were approved. Mr. Speaker, in those four years from 1974 to 1978, 22 of 24 such applications, or 92 per cent, were rubber stamped and approved by the government through its agency, FIRA. How can members opposite have the nerve to stand up in this House and pretend that Petro-Canada is somehow the great vehicle which is protecting the oil industry after such a record?

Mr. Deputy Speaker: Order. I regret I have to interrupt the hon. member.

Mr. Gillespie: On a point of order, Mr. Speaker, I am not sure whether there has been an agreement but there has been discussion with a view to permitting this particular issue, motion No. 1, to come to a conclusion so that we might be able to proceed with the other motions. I am seeking your guidance. I know there are speakers on this side, as there are on the other side, but we might be able to get agreement to proceed at this point.

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question!

Mr. Deputy Speaker: The question is on motion No. 1 in the name of Mr. Gillespie.

All those in favour, will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 75, a division on motion No. 1 stands deferred.

Some hon. Members: Oh!

Mr. Lawrence: Better call in the members, sir, once you have gone as far as that.

Some hon. Members: Hear, hear!

Mr. Lawrence: It is obviously the clear intention of the minister that a vote should be called on the motion right now.

Mr. Lang: It is deferred.

[Mr. Stevens.]

Mr. Lawrence: Five members on the government side have risen. The bells should ring now and the vote should take place. That was the minister's intention and, in the circumstances, since there has been no agreement ahead of time, the members should be called in. Once the minister did what he did, I suggest the matter has gone beyond the discretion of the Chair in terms of deferring the vote.

Mr. Gillespie: Mr. Speaker, I rose after you called the yeas and nays. My purpose was to ask you if you would defer the vote, as I believe is in order.

Some hon. Members: Oh!

Mr. Deputy Speaker: Order, please. I do not want to be involved in any debate. I should like to refer hon. members to Standing Order 75(11) which reads as follows:

When a recorded division has been demanded on any amendment proposed during the report stage of a bill, Mr. Speaker may defer the calling in of the Members for the purpose of recording the "yeas" and "nays" until any or all subsequent amendments proposed to that bill have been considered. A recorded division or divisions may be so deferred from sitting to sitting.

So the practice has been that such votes are deferred. Unless the House wants to change this practice by consent, I see no reason why I should call in the members at this time.

Mr. Hnatyshyn: Mr. Speaker, your reading of the rule would suggest a situation in which the Speaker had determined that one side was successful and the other side had demanded a vote in order to test the decision. In this case Your Honour clearly found on the basis of a voice vote that the yeas were in predominance. It is not a question of challenging that finding. It is the people on the government side, the "yea" side, who asked for the vote, and it seems to me the only logical interpretation would be to allow those the Chair had determined not to be successful to have a standing vote. Clearly that is not the case here. The government is being mischievous. This is an attempt on the part of the government merely to delay this matter, for whatever purpose. It seems to me that we should have the vote now.

● (2120)

Mr. Deputy Speaker: The hon. member must understand that when the Chair decides on yeas and nays, it does not take sides.

Mr. Hnatyshyn: I know that you are completely independent.

Mr. Deputy Speaker: The Chair has to decide which side is winning the vote. At the same time it does not identify the five members who wish to call for a vote. I have made my decision. I have deferred the vote. Unless, by unanimous consent, there is a request for me to call in the members, I will put motion No. 2 to the House at this time.

Mr. Hnatyshyn: The government is afraid to vote now.

Mr. Lang: You are afraid to vote any time.

Mr. Crouse: Vote, then.

Mr. Allan Lawrence (Northumberland-Durham) moved:

Motion No. 2.

That Bill C-42, to provide a means to conserve the supplies of energy within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada, be amended in Clause 11 by deleting subclause (4) at page 6 and by renumbering the subsequent subclauses accordingly.

He said: Mr. Speaker, as we travel through the labyrinth of the various stages of this bill, I must say that I am astounded at the two-faced attitude, double-faced attitude, of members of the government with respect to this matter. On the one hand they put forward the face that they need to have this bill through before an election can be called—this bill and at least one other—and yet at just about every stage of the proceedings—in the committee, at second reading, and here again following the remarkable bit of theatrics just a moment ago by the minister—measures are put in the way of the speedy passage of this bill through the House. I can only come to one of two conclusions, and I will leave it to the Chair to decide. Either the government is afraid to call an election and therefore wants to use this bill as one means of saying to the people of the country that the bill did not get through even though it was needed before an election, or the government is not really interested in seeing this legislation get through the House.

In moving this amendment I feel that there are some very basic democratic and parliamentary principles involved with respect to this matter. First, as hon. members are well aware, we have two ways by which the government of the day can choke off further discussion of a motion, a bill, or other matter in this House. One is the old and cumbersome method of closure. With respect to a measure having to do with the oil industry many years ago, the Liberal government of the day eventually was defeated by the people of this country because of its abuse of the closure provisions of the rules of the House of Commons at that time.

Since that time there has been a smoother, easier and more effective way of choking off valid, in some cases invigorating, and in other cases deadly boring discussion in this House, and that is the use of the guillotine provisions in the rules of this House. I think that provision is Standing Order 75C under which, if the government of the day really wants to choke off discussion, it can, within a minimum period of time of, I believe, about three days. It can limit debate to one or two hours on each of those three days. The government can choke off discussion and limit the total length of time to three days and only a few hours on each day.

The clause of this bill which I suggest should be deleted by virtue of my amendment provides a special closure. There is a special form of guillotine. There is a special way of limiting debate on a motion respecting an order in council proclaiming that a national emergency in the energy field exists in this country. I think that that provision is entirely needless. There seems to be a growing trend within the government to want to have, in a number of the bills which are coming forward and which have come forward in the last little while, an additional procedure by which to gag parliament. There is no other word for it. This procedure would limit free and open discussion of a very important order in council which would proclaim that a national emergency exists. Why do we need that type of limitation, that type of restriction, that type of closure or that type of guillotine in a bill such as this? There are already two other means of choking off discussion under the rules of the House.

I asked a question of the minister the other night in committee. As usual, we were dealing with a very taciturn minister who is not at all forward about giving explanations for what is going on. Certainly the other night in the committee the minister displayed that same type of attitude. There was no answer given as to why we really need the third way to gag parliament which is in this bill.

It is this specific clause which I suggest should be deleted. There is no need for it. It even extends the period of debate. If the government really wanted to stop debate, it could move under the guillotine provisions in our rules because, under the guillotine provisions, debate would be limited to three days, and only one to two hours at the most on each of the three days. Here there are three days of full and formal debate in the House of Commons on a motion of the government with respect to an order in council, and I just fail to see the need for this provision. There has been no defence put up. There has been no justification.

This bill contains very few guidelines and very few restrictions. There is very little laid down with regard to what would actually constitute a national emergency in the energy field, and I just feel that clause 11(4) is completely redundant. I therefore ask the members of the House to consider this matter seriously. We really would be stripping parliament of its right to discuss this matter if that subclause were left in the bill. If there is no question that a national emergency in the energy field exists, then surely we can leave it up to the good sense, if not of the members of this House then of the citizens of this country who eventually have to judge whether a member of parliament or a party within this House should hold up the passage of a bill or the approval of a motion validating an order in council declaring a national emergency.

We simply do not need this additional gagging procedure in a bill of this importance, especially when, for instance, there is no definition in the bill of a national emergency. There is absolutely no provision or authority in the bill for any compensation to be paid with respect to the very extradordinary measures which might be taken by the proposed allocation board in the event that a national emergency exists, or an apparent one as far as the government is concerned.

There is another matter which has not yet been raised in the House. This bill has in it an additional defect. We will not necessarily even know what the allocation system or basis is, or the system that the government has approved. There is no

requirement in the bill that the actual terms of the allocation order itself be tabled, published, released or approved by members of the House. The only order that need be published under the terms of this bill is the actual order in council by the cabinet indicating that a national emergency exists or is apprehended. The board then has the power given to it under the act to allocate energy supplies in this country.

● (2130)

The point is that in every other jurisdiction I have been able to research in respect of domestic provisions as a result of the 1974 treaty, the allocation order itself must be released, must be published and must be debated in the national parliament, congress or legislature of the country involved. So far as I know, Canada is the only country in which the actual allocation order need not be released or published so that the people of this country know about it. I do not know if members opposite fully understand the distinction I am trying to make. I see a look of real puzzlement on the face of the parliamentary secretary to the minister.

The point is that the only order that need be laid on the table of the House, the only order that will be debated, is not the order indicating what the basis of the allocation is. The only order is the order in council of the government which indicates that a national emergency exists. In other words, no one in the industry, no one in the provinces and no one in the municipalities—do not laugh about municipal powers in regard to utilities in this country because they are fairly extensive—and no member of this House nor any member of the public at large, under the terms of this bill need have any idea whatsoever as to what the allocation order is or may be. I think that is a defect that should be rectified and, what is more important, it is another reason why there should not be a special gagging provision in this bill in the form of subclause (4) of this clause.

There are some members in the House who still have the vague idea that this bill only applies to petroleum supplies or products or, for that matter, even alternate energy supplies. If they believe that, they should take a much closer look at the bill itself, because this bill could apply to almost every field of endeavour in the energy field. Indeed, a technical interpretation of the act could carry its powers well beyond the energy field. It could apply to any field of exploration, of drilling, of development, of production, of transportation, of refining, of storage, of distribution, of consumption, of usage, of retailing, of pricing, of financing, and even into the manufacturing stage of products even remotely or dimly connected with the energy field, not just petroleum products. This bill sets up a dictatorial regime in the government. One clause of it even extends this dictatorial control to any product made even in part from a petroleum product.

I just ask you to take a look, Mr. Speaker, at what you are wearing tonight. Take a look at what you ate for dinner tonight. Take a look at the roof above you. Take a look at the textiles on your bed. In these days of synthetics, we have synthetic foods, textiles and fibres. We have synthetic building products, plastics, papers, gasses, liquids, not just fuels. It is really hard to envisage a product or a manufacturing material, or, for that matter, almost any goods today that could not be touched upon by the control powers included dn this bill.

I say this is a very bad and a very sweeping bill. On the other hand, we believe that in times of a real national emergency—I emphasize "national emergency", and there should be a definition of what that is—respecting petroleum energy supplies, the Government of Canada, in consultation and with the co-operation of the provinces and of industry, and perhaps even of the municipalities because, as I said, in some areas there is municipal supervision of utilities, should have the necessary legislative framework to take charge and to show national leadership especially when, as is the case now, the defects of our energy industry are the result of a complacency and lethargy and the lack of a national policy on energy, especially of a policy on the distribution or delivery system of our own home grown domestic energy supply.

When we have, as we now have, a lack of Canadian policy to ensure that Canadian demands are met by Canadian supply, when that is compounded by the potential or real problems in our offshore supplies such as are occurring in Iran, Saudi Arabia, Venezuela, Mexico or other places, when we are precariously dependent, or a large section of this country is precariously dependent on this interruptable supply of oil, then the federal government unfortunately needs the legislative framework to enable that self-imposed emergency to be met.

What is the dilemma for members of the House, and especially for the conscientious members of the House who may not be bound by the iron discipline of the government party? Should we hold up a bill such as this in the dying days of a useless parliament and a decadent government, with possibly no emergency powers therefore during an extended election period, or do we consent to give the government this bill, arbitrary, sweeping, and bad though it is? On this side of the House we have opted for the latter, secure in the knowledge that this government will not be in power long enough to harm the economy and the energy industry that much longer, and that a new government will obviously start a comprehensive review of the energy field and the jurisdictions in the industry and put into place policies which would mean that such powers are simply not needed.

In getting back to the amendment of this clause, the deletion of the clause called for in the amendment in no way harms the operation of any other clause of the bill. I suggest to you, sir, that unless the members on the government side are determined to come up with a third procedure to gag open and decent discussion in the House on such a matter, which will obviously affect everybody, they should agree tonight to the deletion of subclause (4) of this clause.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, as I listened to the comments of the energy critic of the opposition party I could not help but wonder whether he was dealing with the amendment which he has placed before us in his own name. Very few of his remarks dealt with the substance of the amendment or the need for it. I think it would

be helpful to members to recall the particular clause he would amend. It is Clause 11 in Part I of the bill, on page 6. It sets out the basic question of declaring a national emergency. Subclause (1) states:

When the Governor in Council is of the opinion that a national emergency exists by reason of actual or anticipated shortages of petroleum or disturbances in the petroleum markets that affect or will affect the national security and welfare and the economic stability of Canada, and that it is necessary in the national interest to conserve the supplies of petroleum products within Canada, the Governor in Council may, by order, so declare and by that order authorize the establishment of a program for the mandatory allocation of petroleum products within Canada in accordance with this Act.

● (2140)

I have read the clause because the hon. member spent part of his time saying that there was no reference or no way of gauging what was a national emergency. It is quite clear from the manner in which I have read the clause that there are at least four sections: national security, and welfare, and the economic stability of Canada, and that it is necessary in the national interest to conserve the supplies of petroleum products within Canada. Those are "ands". They are separate and additional tests in each case. They are not "ors". For example, it is not economic stability or welfare; it is not the national interest or the necessity of conserving. In each case it is "and". Clearly it places upon the government the onus to determine the nature of the emergency against those tests.

Clause 11(2) reads as follows:

A notice of motion to concur in an order made under subsection (1) shall be laid on the Table of each House of Parliament by or on behalf of a minister of the Crown within seven days after the order is made if parliament is then sitting.

Clause 11(3) reads as follows:

A notice of motion laid before the House of Commons pursuant to subsection (2) shall be set down as an order of the day for consideration as the first government order on the sitting day next following the sitting day on which the notice was laid on the Table of that House and, until it is disposed of, no other government order shall be considered.

Quite clearly there is a built-in procedure which protects the rights of parliamentarians. It gives the elected representatives of Canadians an opportunity of dealing with the order, debating it and disposing of it under a time frame which reflects the very nature of an emergency and the very nature of the reason why it would be necessary to declare a national emergency for the purposes of this bill. That must be placed before parliament within seven days after the order is made if parliament is then sitting. Subsequently parliament must deal with that particular motion, and the wording provides that parliament would have three sitting days to deal with the order, and that no other business would be before the House. Thus, parliament would be able to place its full attention on a particular emergency order.

I acknowledge that an order which declares a national emergency exists for these purposes is a very important matter which should be dealt with. The procedure provides that it would be dealt with in an expeditious manner. It sets out that parliament would devote three days, and if the Parliament of Canada had not by then dealt with it or disposed of the particular motion, it would come to a vote.

There has been a suggestion that this is stripping or gagging parliament. If the language of the bill is read, that is absolute nonsense. It is quite clear the opposition have never focused on the nature of an emergency. They seem to think an emergency is something which will never happen. In reading and listening to some of their speeches, that came through—that there never is any emergency and there is no possibility of an emergency, so why do we need an act at this time; why not wait until an emergency comes? Also that was the burden of the government of Ontario when it appeared before the committee—there was no emergency, so we do not need an emergency act at this time. That was the attitude of the government of Ontario.

The hon. member for Eglinton (Mr. Parker) said, "Suppose there is an emergency, suppose an emergency does come. We do not need this kind of authority. It is far too great. Why couldn't the government use the War Measures Act?" That was a serious suggestion put forward by the hon. member for Eglinton. Incidentally, it was not a particular suggestion of which the government of the province of Ontario thought very highly.

The point I am making is that opposition members have not really addressed themselves to the nature of the bill or to the need for the protections built into the bill for parliamentarians. The hon. member for Northumberland-Durham (Mr. Lawrence) in his amendment indicated that we should eliminate clause 11(4), and that in this way we would somehow reduce the gagging effect of parliament. I draw the hon. member's attention to clause 11(8). It provides that if parliament has been dissolved when it is necessary to declare an emergency, parliament would deal with the bill when it came back as the first order of business. The clause reads as follows:

Consideration of a motion of which notice has been given under subsection (7) shall commence at eleven o'clock in the forenoon of the day fixed, and the House shall sit continuously until eleven o'clock in the afternoon of such day or until such earlier time as the House of Commons is ready for the question, when the Speaker shall put the question forthwith without further debate.

The hon. member has not objected to this particular provision. It would put the question within a day of parliament's return, and the hon. member is objecting to a provision which would give parliament three days for debate, seven days after the order has been made.

The energy critic, the hon. member for Northumberland-Durham, is confused in another important area. He made some astonishing statements a few moments ago about the fact there was no need for the government to place before parliament an order made respecting the allocation program. If the hon. member had read the bill he would have noticed clause 12(1), which reads as follows:

Where an order is made under section 11, the board shall immediately prepare a mandatory allocation program in respect of petroleum to assure sufficient supplies of that product in various parts of Canada—

It goes on. That is the subsection the hon. member would amend.

Clause 12(6) reads as follows:

An order approving or amending a mandatory allocation program or adding any product thereto—

These are the important words:

—shall be laid before parliament forthwith upon the making thereof, or, if parliament is not then sitting, on any of the first 15 days next thereafter that parliament is sitting.

Again we see the hon. member for Northumberland-Durham has not done his homework. He is far more interested in attempting to make cheap shots or political capital. He has not addressed himself to the nature of the bill. The hon. member has relied on silly, extraneous comments, some of which perhaps were picked up from the brief the Ontario government presented before the committee. The brief was far more concerned with making it a media event than informing parliamentarians. Incidentally, the brief was made public to the press before it was made public to parliamentarians.

Some hon. Members: Shame! Shame!

Mr. Gillespie: It shows complete contempt for parliamentary tradition. I would have thought the parliamentary secretary to the minister of energy for the province of Ontario could be cited for contempt by this parliament.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Gillespie: The amendment of the hon. member for Northumberland-Durham is badly thought out. It does not address the question. It is based on a false premise, as many of his arguments have been this evening.

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, the amendment before us has some interesting aspects to it. The Conservative party for almost the past two hours has been castigating the government for its failure to devise an energy policy which protects Canadians from the point of view of supply and price. In that sense I join it in agreement. Indeed, the history of the energy policy of this Liberal government has been not much short of actual disaster. Certainly consumers in eastern Canada who are facing cutbacks at the moment will know what I mean, and other Canadians who are experiencing high energy prices know the folly of some of the policies or the lack thereof of this government.

● (2150)

The bill before us, of course, deals with an emergency situation. We in the NDP argue that the government must have the tools at its disposal to deal with emergencies. The amendment that seems to be quite contentious at the moment deals with the closure provision within the bill. Once the government introduces a motion delineating an emergency, the debate is limited to three days and then it must automatically stop. The hon. member for Northumberland-Durham (Mr. Lawrence) has moved an amendment to remove the closure provision that is built into the bill. I have some sympathy with the amendment or the motion that is before the House. I would have to ask for the reasoning behind the government for building in a closure provision when the government already has authority under our Standing Orders to impose closure at any time it deems necessary.

One wonders also at the government's need to have a closure motion built right into the bill if we are in an emergency situation, because surely any opposition that is in any way responsible would be committing gross negligence by trying to delay the implementation of emergency procedures if we did, indeed, face a genuine energy crisis. Surely it would also be almost akin to political suicide for an opposition party to continue to filibuster the implementation of emergency provisions in the face of a real emergency as perceived by the Canadian electorate. Therefore it seems to me unnecessary to have this automatic closure provision in the bill.

We have safeguards, it seems to me, in respect of both sides of the House. The opposition has to act responsibly. It cannot filibuster the implementation of emergency measures when there is a real emergency. Secondly, the government already has the power of closure. If it is to use that power arbitrarily, and it is perceived as an arbitrary measure, then not only do we have the obligation in opposition to point this out to the Canadian public, the government has to answer to the Canadian public if it has imposed closure in an irresponsible manner.

I think we already have enough safeguards in our parliamentary procedure that we should not have this automatic cut-off of debate. There may be a dispute in respect of some future declaration by the government that a real emergency exists, and we might need more than three days to debate the issue fully and draw out the actual facts and figures from the government if the government puts up speakers from its side, using up time and preventing opposition members from getting down to the bare bones of an issue. Therefore, it seems to me, that we do need safeguards, that the debate may conceivably take more than three days—not much more, maybe a couple of days—and we would want to have a thorough airing of the issue in the House of Commons before taking some of the extraordinary measures allowed for in this bill.

I reiterate that I have a great deal of sympathy for motion No. 2. I do not know what the government is afraid of in wanting to have this automatic closure. It already has powers at its disposal should it need to cut off a debate. On balance, I think the reasonableness of an opposition would prevent members from carrying out a filibuster in light of a real emergency, so I would certainly be inclined to support motion No. 2.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, in the remaining four minutes or so of this delightful twilight evening, when we have been hearing so much nonsense from the other side of the House, I would just take a few minutes to make some comments on this issue.

Hon. members should take into account the fact that this House has been far too weak and lax in granting authoritarian powers of this kind in the past to the government. We should look at exactly what we are doing by this bill. We are giving the power to the government to call an emergency; not parliament, but the government. That probably runs contrary to the

litigation falling from the anti-inflation bill. Apart from that, we are giving the government the power to establish a mandatory allocation program, to bring in alternative fuels, to deal with the matter of electricity, to deal with imports and exports, and to deal with rationing. I suggest through you, Mr. Speaker, to members of this House, that lying like a cocoon surrounded by this bill is the germ of a perfect scheme for wage and price controls. You cannot have allocation unless you have controls, and you cannot have controls unless you control prices. As my friend, the hon. member for Northumberland-Durham (Mr. Lawrence), has said, this includes manufactured goods, and there are very few manufactured goods today which do not have some element of origin in petroleum products, in addition to the fact that fuels and energy are used as well in their manufacture.

What we are looking at or envisaging is a situation in which the government, having an obedient majority, would get its allocation order through, would then establish a rationing program, and that rationing program would inevitably lead to price controls, and price controls would lead to wage controls. This is what this bumbling, bungling, ineffective, inept government has brought us to.

The other day I was reading some old English history and ran across a name that struck a familiar chord, "Ethelred the Unready", an apt description of the Prime Minister (Mr. Trudeau), and an even more apt description of the minister. I took some notes about Ethelred the Unready, a Saxon king who lived almost 1,000 years ago. Brief notes show that he got rid of his enemies by bribing them. He engaged in acts of political treachery. He was woefully weak in policy, and so incapable of governing that he left the land disorganized and without hope. In the last resort, in a series of crises, each of which demanded a concentration of the national energy, the king could neither give direction to his people nor hold his best advisers firmly to their allegiance. All he had left were the incompetents such as we see in the front benches of the government today. As a result he either left, was pushed, or he fell off the throne, and fled to France. That is what is going to happen in this parliament to this government very shortly. This is what this government has brought us to.

Some five and a half years have been lost since the fall of 1973. During those years the government should have been engaged in preparing to deal with issues of conservation, alternative fuels, and the provision of renewable energy. This government has wasted and dissipated its energies and the energies of this country, and today we are brought back to the same position we were in back in 1974 with a stupid, bumbling, stumbling, bungling government. Yet these are the people who have the unmitigated gall to say they cannot call an election because they have important things to do in this House. If that is the case, God help this country. May I call it ten o'clock, Mr. Speaker?

• (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

LABOUR CONDITIONS—ILO RECOMMENDATION THAT OLDER WORKERS SHOULD CHOOSE AGE OF RETIREMENT

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, on March 1 I asked a question of the Minister of Labour (Mr. O'Connell). Part of the preamble to my question as it is reported at page 3713 of *Hansard* reads:

> The International Labour Organization meeting in Geneva has expressed very deep concern at the rapidly increasing, aging labour force which will put a severe strain on resources, social security and pension systems, and have recommended that older workers should be free to choose when to retire, depending on their health and capabilities.

I wanted to know if the Department of Labour had made any study in this regard and if they sent anybody as a labour representative to Geneva to learn what the reports were and to bring them back to this House. The minister, in his reply to me, indicated that an interdepartmental committee had been established two years ago to examine pensions both in the public and the private sector, but I believe that it was established last December.

I would like to ask a question of the minister and I do not want it answered by a long tirade of paper-filling words. I would like to know if the minister was aware of this labour organization meeting and of their great concern over retirement at age 65. There are two reasons why I want an answer, and I want only direct answers. If the minister or his parliamentary secretary cannot answer my questions tonight, then let him answer them tomorrow in the House. I want answers to these questions as to what they propose to do, because I feel that this is one of the most serious problems facing the future of the Canadian people.

I wonder if the minister knows what happens to retired people within a few years after they have retired. The individual either dies, deteriorates, or ends up in an institution. There is the odd one who escapes this fate. This is the story of what is happening to the average Canadian after retirement.

I would also like to ask the minister why, if this individual is physically or mentally fit, he or she is not allowed to go beyond the age of 65 in their work? This individual not only contributes to the economy but is happy and contented with himself. He has an incentive to get up every day because he is doing something which he feels is useful. The individual usually remains stimulated, bright, alert and happy.

In cases where the job becomes too heavy for the individual who reaches age 65, that individual should have the option to be transferred within that organization or factory to a job which is easier, but in the line of work which he has previously known.

People who have skills are needed in this country, simply because we do not have enough labour to meet the demand. Approximately three out of every four skilled workers in Canada were born outside this country. I would also like to bring to the minister's attention the fact that we are an aging population. In 1900 less than 5 per cent of the population was 65 years of age. Today it is almost 10 per cent, double the figure of 1900, and by the year 2000 it will be 12 per cent of the population which will be over 65 years of age. On the present scale, by the turn of the century there will be three workers for every retired person. Such a situation could cause a complete breakdown of our social security scales and pensions. Even the parliamentary secretary may not receive his pension.

Those who are fit and able should be allowed to work beyond age 65 into their seventies and even beyond that. They should also be given a preference in any other position that is open which may mean easier work, if they have the skills to perform that work. The United States has been wise enough to raise the retirement age to 70 years for the worker, and the white collar gentleman or professional in that country may work until he wishes to quit or is forced to quit through physical or mental illness.

The lifting of the retirement age is a must. The arbitrary age retirement cuts off many retired people at a time when the person being retired is at his most productive age. When was this nonsense of retirement at age 65 brought in? It was brought in in 1890 by Bismarck. It was all right then because Bismarck was smart enough to know the average age at death at that time was 42 years of age. The situation has changed today. Statistics show that the respective ages are 74 for men and 80 for women.

This is a situation we have to look at, and the minister must take it seriously. I want answers. I do not want a lot of paper garbage. The United States has already made this move. Canada needs something done right away if we are to save our pension scheme.

● (2205)

[*Translation*]

Mr. Charles Lapointe (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I appreciate the hon. member's very legitimate concerns, and the government is aware as much as he is of the aging process of the Canadian population, and it is also concerned with the future of Canadian pension plans. There is also the fact that among people 65 or over, there is a growing concern for the right to work which is almost perceived as a part of human rights. The hon. member raised a very important question in my view. I would, however, apologize to him at this point, because I am not in a position tonight to give him a clearcut answer by yes or no. But if he will allow me, I would like to review briefly the history in the International Labour Organization on this matter, and the Canadian legislation as it now stands.

[Mr. Rynard.]

During the coming annual conference of the International Labour Organization, to be held in Geneva next June, discussions will include the issue of work and older workers retirement. As a member nation, Canada has already been consulted on this by the International Labour Organization. We made our position known by answering the ILO questionnaire based on the views of a number of federal agencies. Representatives of the Canadian government will take part in the discussions in Geneva, further to which the International Labour Organization could implement in 1980 a new international instrument aimed at protecting employment and retirement opportunities for older workers anxious to retire early.

Concerning this specific issue of retirement age in Canada, first I would state that in Canada there is no statutory obligation for workers to retire at a specific age. There has always been a consensus for retirement age to coincide with the age at which workers can start receiving social security benefits, or old age security pension as commonly called. Therefore, the hon. member does not need to be remembered that starting in 1966, pensionable age has been lowered one year per year from 70 to 65 years. I would call his attention to a fact.

[*English*]

The increased incidence of early retirement provisions and the added cost of maintaining the real value of early pensions has placed great pressure on the private pension system, as the hon. member mentioned.

In addition to the growing pressure for early retirement, the elimination of mandatory retirement based on age has emerged in the last few years as an important human rights issue. These complex problems related to mandatory retirement age are being considered by a special Senate committee on retirement age policies, chaired by Senator Croll. The committee has already received several briefs of interest but has not yet completed its work.

In addition to the study by Senator Croll, the whole issue of retirement from the labour force has been examined by the interdepartmental task force on retirement income policy. The report is now being considered by the ministers of the participating departments.

CANADIAN NATIONAL RAILWAYS—NAME OF INDEPENDENT AUDITORS EMPLOYED TO AUDIT PENSION FUND ACCOUNT

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, on May 4, 1978, I presented a motion in the House calling for a firm of independent auditors to review the CNR pension fund and to report annually to parliament. To date we have not been informed which firm of auditors has been chosen or when they will be reporting to parliament.

I hope the parliamentary secretary will be able to inform us this evening of the name of the firm auditing the CNR pension fund and when they will report to parliament. This fund is in complete disarray at this time.

I directed a question to the Minister of Transport (Mr. Lang) on February 14 asking him who were the auditors and when they would be reporting to parliament. He said he would check into the progress. I also asked if he would be making representations to the CNR asking them to make arrangements for a cost of living adjustment to the CN pension fund to assist their pensioners. He informed me that he would not be doing anything in this regard.

● (2210)

I wrote to the president of the CNR asking what he would be doing to assist CNR pensioners in 1979. He informed me he would not be doing anything. He further informed of what they had done in the past. In 1972 there was a flat monthly increase of $4.60 for pensioners and $2.30 for widows. That is almost unbelievable with an inflation rate today of 8 per cent to 9 per cent and spiralling food costs. It can only be described as inhumane treatment that there are no plans to do anything for CNR pensioners in 1979.

CN and CP pension representatives have not been idle. On March 6 they appeared before the Senate committee. Miss C. S. Wishart, president of the Toronto branch of the Canadian Railways Employees Pension Association, was the spokesman for the CPR, and Mr. Earl White the major spokesman for the CNR before the Senate committee dealing with the retirement age policy.

They went into great detail regarding the problems of trying to obtain increased pensions from both the CNR and CPR. Mr. White pointed out many of the problems regarding the mishandling of CNR pension funds. He was advised that he should apply for legal aid to challenge that mishandling. There is certainly no way the pensioners can afford to hire a law firm to deal with something as complex as a pension fund. It would cost up to a quarter million dollars for a law firm to take on the study and research into the mishandling of the CNR pension fund or, in fact, any federal government pension fund as well as many of the private schemes. It is absolutely ludicrous that the chairman of that Senate committee, Senator Croll, advised a group of pensioners involved with a Crown corporation to apply to legal aid for assistance in order to find out why they cannot get an increase in their pension.

At the present time there are committee meetings on Bill C-12 dealing with the indexing of pensions. Daily the fallacy and weaknesses are being exposed regarding all pension funds in Canada respecting this unfunded liability. This means that the government, Crown corporations and private corporations have been spending and using every single cent that goes into every pension fund for other purposes. Very little of the contributions to pension funds are being used properly, or invested in order to allow for inflation, indexing and so on. It is morally wrong for the Government of Canada to spend all superannuation contributions each year and maintain only a ledger account showing how much money would be in the superannuation fund if there were such a fund. We are talking about billions and billions of dollars, and it is just an entry figure. Only last week the Prime Minister (Mr. Trudeau) said we should be investing the $30 billion held in the funds of private pension schemes so as to stimulate the economy. There is no money there, not a red cent. It just shows how ludicrous it is for the Senate committee to say pensioners should go and seek legal aid, on for the Prime Minister to try to convince people that there is $30 billion in these funds with all the Crown corporations misusing pension funds. It is just abominable what they are doing.

● (2215)

We hear the CNR stating recently that a $220 million profit is possible. If the CNR is working toward a profit of that kind, I suggest it start investing some of it in the pension fund, investing it properly so that it can allow for an increase in pensions paid to its retired employees. We hear continual boasting from the president of the CNR, Mr. Bandeen. He says the earnings of the company have doubled again. Also, we hear the CPR stating they are expecting a record profit for 1978. So I would suggest the CNR and the CPR appropriate some of these profits for the pension fund, begin an indexation plan immediately and start investing pension moneys properly so that we can give some assistance to these pensioners who have been so improperly treated.

Mr. Charles Lapointe (Parliamentary Secretary to Minister of Transport): Mr. Speaker, in answering the hon. member's first question I should like to tell him that the CN pension fund has been audited for 1978 by the accounting firm of Coopers & Lybrand. In addition, the Superintendent of Insurance has completed an audit on the Canadian National pension fund.

The second question was: when will this report be made public? I am a little surprised at the hon. member's comment in this connection. He should know that the annual report of the CNR is automatically referred to the Standing Committee on Transport and Communications. We have a tool there which we can use to put questions to the administration of Canadian National with regard to pension funds and pension plans.

I was also surprised at his reaction as a member of the Conservative party to the announcement that the CNR expected to make a profit. He seemed shocked. For my part, I am very happy that the CNR issues a balance sheet on the positive side. He should know, however, that even a profit of $200 million, when compared with the investment and assets of Canadian National, represents a return of about 4 per cent, which is not a very important return on investment.

[*Translation*]

Mr. Speaker, since 1956 the pensions of CNR employees are calculated on the basis of a 2 per cent formula for a period up to 35 years of service. That formula is the same as the one used for other pension plans of the civil service.

Thus an employee who, for example, would leave the CN after 30 years of service with an average annual income of say $15,000 would receive about $700 a month in addition to his old age security benefits and those paid under the Canada

Pension Plan or the Quebec Pension Plan. Mr. Speaker, that plan can be favourably compared with any other comprehensive plan in Canada.

The benefits paid under the CN plan have been increased to compensate for the higher cost of living. In 1971, all pensions which were in effect before 1970 were cumulatively increased by 2 per cent yearly with retroactive effect from 1935. Thus someone who had retired in 1935 received a 70 per cent increase in his pension.

[*English*]

Mr. Speaker, in 1972 all pensions begun before 1971 received a flat 4 per cent increase, and 1971 pensioners received a 2 per cent increase. All pensioners before 1973 received a 2 per cent increase in 1973, and pensioners before 1974 were given a 4 per cent increase in 1974. I could go on, because there were other pension increases for CN workers who retired in 1975, 1976, and onward.

● (2220)

URBAN AFFAIRS—CMHC DIVESTING ITSELF OF LOW-INCOME PROPERTIES

Mrs. Jean E. Pigott (Ottawa-Carleton): Mr. Speaker, I want to ask some questions this evening about a project called Cloverdale. I asked questions about this project in the House last November. The Central Housing and Mortgage Corporation owns the Cloverdale complex. The project was to be sold, and the sale was not completed. Some time has elapsed and I would like to find out what happened to the proposed sale to Grado. We on this side of the House, and parliament in general, should know what happened to the deposit and what legal costs were incurred. What has happened to the deposit? I think this is very important because this was a very strange and secret transaction about which we should know more.

The second thing I am concerned about is what has happened to the 2,000 persons who live in the 748 units in that complex. I am concerned about three questions. What has happened to those wonderful tenants? Have there been any meetings with the Cloverdale people and the Central Mortgage and Housing Corporation as to whether this excellent complex could be broken up into co-ops? Have there been any attempts to make another sale? Have the tenants been kept informed?

The Central Mortgage and Housing Corporation promised that it would have meetings with the Quebec Housing Corporation. Have there been meetings to ascertain what will happen to these people? One thing we must remember about this wonderful project is that in over 20 years a very healthy, homogeneous community has developed. The complex is part of the social fabric of the community. It is an excellent place. Many senior citizens and many people with low incomes live there. I feel that the Central Mortgage and Housing Corporation has a responsibility to maintain this housing project in some form. Perhaps it should be sold to another organization or broken up into co-ops, or perhaps some solution can be arrived at with involvement by the Quebec Housing Corporation. The minister and his officials promised to get back to us to tell us about subsequent meetings which would be held.

I hope the parliamentary secretary will clarify what happens to assets which are being disposed of by the CMHC. I have asked this question repeatedly. The newspapers today talk about the Pestalozzi Tower being sold for $3.5 million. The cost to the Canadian taxpayer is probably over $5 million. I have repeatedly asked for clarification—and I hope I can get it—as to how they dispose of the assets of CMHC.

I have very grave questions about the appraisal situation. Who does the appraisals? Under what guidelines are the appraisals made? There is a very real question as to whether an organization such as CMHC should dispose of these things. Should another Crown agency take care of this type of thing? Naturally, sometimes one might not want to disclose fully the fact that some mistaken judgments have been made in some of these areas, but we hope there will be some clarification by the minister as to what is being done about the portfolios of real estate held by the Central Mortgage and Housing Corporation.

● (2225)

We have a great concern in this area, but the real concern is what will happen to the people in Cloverdale, what will happen to these 2,000 people, and what is their future. This is what I want to ask, and I hope the parliamentary secretary can satisfy us tonight.

Mr. Hal Herbert (Parliamentary Secretary to Minister of Public Works and Minister of State for Urban Affairs): Mr. Speaker, the Canada Mortgage and Housing Corporation's real estate portfolio has been acquired as a result of its lending programs or insured loans operation and ensuing default on mortgages by borrowers. The objective of the corporation is to sell the housing accommodation within expressed priorities. The corporation's policy of disposing of real estate in Quebec is the same as in other provinces. The first priority on sale is to provincial housing corporations. If they are not interested and, where the development is suitable, the next priority is to non-profit housing corporations. If the sale is not made under these priorities, then open market sale is considered. The sales are higher in the province of Quebec than in other provinces because the majority of the corporation's real estate portfolio is located in Quebec.

Bill 113 as enacted by the National Assembly of the province of Quebec on December 22, 1978, provides for the fractioning of a unit into smaller components for sale. This allows CMHC to break down projects and to sell to some of the tenants in a co-operative or non-profit group.

In September, 1978, CMHC accepted an offer for the Cloverdale complex in the amount of $3,600,000. Grado Developments was the highest bidder on a public tender called by CMHC for the sale of Cloverdale Park, a 748 unit residential development in Pierrefonds, Quebec. The sale did not materialize because the buyer did not come up with the funds. The security deposit of $180,000 has been retained by CMHC.

The tenants living in Cloverdale were pleased that the sale did not go through. In the case of Cloverdale, the average rent is $135 a month. The estimated loss for the next five years, not including subsidies, exceeds $2 million. A policy that came in force on January 1, 1979, provides that CMHC offers to all tenants benefiting from grants the possibility to enter a new lease for a period of one year from the date of the sale and at the same condition. I could add that subsidies to low income tenants have been granted in amounts ranging from $17,286 in 1975, to $49,166 in 1976, to $77,735 in 1977, to $91,426 in 1978.

Every investor who makes an offer must pledge that all the grants be extended for an additional period of one year.

It should be understood by all concerned that CMHC's purpose is not to manage property and it has never been the intention of the government to have CMHC as a large property owner. This is why CMHC is returning projects to the market. I should interject here that the federal government is well aware of the fact that in this case in holding these properties it is intruding on the provincial jurisdiction.

I should also advise the hon. member that I have personally offered in writing to meet the tenants of Cloverdale at a time suiting their convenience.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the House adjourned at 10.29 p.m.

HOUSE OF COMMONS

Wednesday, March 14, 1979

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT EXPENDITURES

CRITERIA RESPECTING EX GRATIA PAYMENTS—MOTION UNDER S.O. 43

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I rise on a matter of urgent and pressing necessity, pursuant to the provisions of Standing Order 43, with respect to the government's policy on ex gratia payments.

Since four payments with reference to R. McGregor Travel Ltd., Olympia-York Developments, Ste. Marie Air Services and Mirabel Land Expropriations amount to approximately $3 million, and since no provision on an ex gratia payment basis appears imminent for cases such as that of Dr. Alexander Peter Treu or, for that matter, Mrs. Lucille Dubé, I would move, seconded by the hon. member for Vegreville (Mr. Mazankowski):

That the President of the Treasury Board set out clearly on motions the criteria which apparently recognized a moral obligation in the case of Olympia-York for guard services, etc., while refusing any compensation to someone like Dr. Treu, and to explain this contradiction.

What constitutes benevolence under the government's code of ethics?

Mr. Speaker: Under the terms of Standing Order 43, the proposed motion can be put to the House only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

VETERANS AFFAIRS

IMPROVED PENSIONS FOR WIDOWS OF DISABLED VETERANS—ENDORSEMENT OF BRIEF OF ROYAL CANADIAN LEGION—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in the light of an excellent brief presented this week by the Royal Canadian Legion, under the provisions of Standing Order 43, and seconded by the hon. member for Sault Ste. Marie (Mr. Symes), I move:

That this House support the position of the Royal Canadian Legion that the government introduce without further delay the necessary legislation to provide pro rata pensions for the widows of disabled veterans where the pension rate of the veteran was below 48 per cent, and that steps be taken to improve the lot of older veterans not only in institutions but also in terms of adequate home care.

Some hon. Members: Hear, hear!

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

RAILWAYS

REQUEST VIA RAIL MAINTAIN PRESENT SERVICE IN MARITIMES—MOTION UNDER S.O. 43

Mr. Howard Crosby (Halifax-East Hants): Mr. Speaker, I rise, under the provision of Standing Order 43, on a matter of urgent and pressing necessity.

The proposed transfer of reservation staff in the maritimes by VIA Rail, together with cutbacks in rail services have caused grave concern to those involved. I would therefore move, seconded by the hon. member for Dartmouth-Halifax East (Mr. Forrestall):

That this House request VIA Rail to defer the transfer of maritime reservation staff and any cutbacks in rail services for two years so that the economic and social effects can be studied and reviewed.

Some hon. Members: Hear, hear!

Mr. Speaker: Unanimous consent is required before the motion can be put to the House. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

INDUSTRY

REQUEST QUOTAS NOT BE IMPOSED ON STEEL WITH LOW CARBON CONTENT—MOTION UNDER S.O. 43

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with an important matter of pressing necessity.

S.O. 43

There is a shortage of building steel with low carbon content in eastern Canada at the present time. The supply difficulties related to a tendency of some companies to set quotas on their existing stocks have led suppliers to increase their prices. Since such behaviour erodes the purchasing power of consumers in the regions involved at a time when they can hardly cope with the new inflationary push, while some companies are making record profits, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That the House forbid those companies to set such quotas on existing stocks so that they may not take advantage of a temporarily reduced production to increase uselessly their prices without reason and boost their profits.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

EXTERNAL AFFAIRS

HEARTFELT CONGRATULATIONS TO HEADS OF STATE INVOLVED IN EGYPT-ISRAEL PEACE TALKS—MOTION UNDER S.O. 43

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, I rise under the provisions of Standing Order 43. In view of the announcement made yesterday by President Carter, I would move, seconded by the hon. member for Victoria (Mr. McKinnon):

● (1410)

That this House express the heartfelt congratulations of all Canadians to President Carter, President Sadat and Prime Minister Begin for their notable achievement in the cause of peace.

Some hon. Members: Hear, hear!

Mr. Speaker: Notwithstanding the immense popularity of the motion, for understandable reasons I still will not depart from my practice of not allowing congratulatory motions under this rule.

* * *

ENERGY

GOVERNMENT POLICY VIS-À-VIS INTERNATIONAL OIL COMPANIES—MOTION UNDER S.O. 43

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity to seek the unanimous consent of this House.

It is quite clear to all Canadians and to the world that Imperial Oil's and Exxon's treatment of Canada and the

Canadian people places us in the role of a colony to international oil cartels. I move, seconded by the hon. member for Sault Ste. Marie (Mr. Symes):

That this House instructs the government to give Imperial Oil an offer it cannot refuse, that being either to comply with government policy as a private corporation or to comply with government policy as a publicly-owned corporation.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE MEDIA

SUGGESTED ACCREDITATION BY MEANS OF SOCIAL INSURANCE NUMBER—MOTION UNDER S.O. 43

Mr. Jack Hare (St. Boniface): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

Since we are constantly astonished at the government's use of the social insurance number as a single identifying number, I move, seconded by the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn):

That this House views with alarm the directive of the Prime Minister, contained in his press release of February 28, extending the use of SIN extra-territorially by advising, through an urgent media logistic note, that for United States White House accreditation the social insurance numbers of members of the press would be needed.

Mr. Speaker: The introduction of such a motion for debate at this time, pursuant to Standing Order 43, would require unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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BROADCASTING

CANADIAN CONTENT RULES APPLIED BY CRTC—MOTION UNDER S.O. 43

Mr. Jim Fleming (York West): Mr. Speaker, I rise on a matter of urgent and pressing necessity to move a motion under the provisions of Standing Order 43.

In view of the fact that in a report tabled on Monday in this House the CRTC criticized the CBC for being uncompetitive and demanded that changes be made in its programming to rectify the situation, I move, seconded by the hon. member for Spadina (Mr. Stollery):

That this House urges the CRTC to roll back Canadian content rules sufficiently to test, on a trial basis, whether a portion of those Canadian content expenditures focused on quality Canadian programming, rather than quantity,

might begin to reverse the steady erosion of Canadian audiences watching Canadian programs.

Mr. Speaker: The presentation of such a motion for debate, pursuant to Standing Order 43, requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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HOLIDAYS ACT

REAFFIRMATION OF SECTION DESIGNATING DOMINION DAY—MOTION UNDER S.O. 43

Mr. Leonard C. Jones (Moncton): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. I sincerely believe all members will support my motion.

Whereas there are certain parts of our heritage and traditions which are steeped in history; whereas the word "dominion" is such a part of our history, based on the eighth verse of the 72nd Psalm; whereas it is essential to adhere in some respects to tradition and heritage; whereas this fact is recognized in the Holidays Act which declares that July 1 in each and every year is a national holiday and such holiday shall be observed as such; and whereas there has been a tendency for some government departments, and particularly the Department of the Secretary of State and Crown corporations including the CBC, to ignore the Holidays Act, I therefore move, seconded by the hon. member for Palliser (Mr. Schumacher):

That this House reaffirms section 2 of the Holidays Act, namely, section 2(1) "Throughout Canada, in each and every year, the first day of July, not being a Sunday, is a legal holiday, and shall be kept and observed as such under the name Dominion Day—

Mr. Speaker: Order, please. On reflection, I think the hon. member will realize that he is dealing with a matter which may be of considerable importance but it is a matter of ongoing concern. I am unable at this moment to find the kind of urgent and pressing necessity of which the Standing Order speaks in order to permit this motion to be put at this time.

ORAL QUESTION PERIOD

[*English*]

ENERGY

MAINTENANCE OF PRICE OF OFFSHORE OIL UNDER EXISTING CONTRACTS

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. Many Canadians are increasingly fed up and getting damned mad that government policies are

forcing them to pay the highest prices in their lifetimes for everything they need, and energy costs are obviously playing a very real part in all those prices.

● (1415)

Because the minister is now forcing one Canadian company, and soon perhaps all Canadian companies, to break their existing contracts for offshore oil, can the minister give us any guarantee or assurance that the price for oil under these new, forced contracts will be the same or less than is presently being paid?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, for the first time we are seeing some interest on the part of the opposition on the subject of pricing policy. For years opposition members have ignored the important question of prices.

Some hon. Members: Oh, oh!

Mr. Gillespie: Even today, the Leader of the Opposition has no policy on prices. The official opposition were against the federal government having the power to set prices, and they have been consistent in that. They are still against the federal government having that power. If it were not for that power, we would not have been able to establish prices in Canada that are significantly lower than the international price.

Some hon. Members: Hear, hear!

Mr. Gillespie: As a result of that power, which the opposition opposed and voted against, we have been able to provide oil to the maritimes and Atlantic Canada at substantially below the international price. What do I mean? For a six-room house, the saving this year, on an annual basis, will be $150.

Some hon. Members: Order.

Mr. Gillespie: If the Tory policy had been in play with respect to pricing, those who own houses in the maritimes and heat them by oil would be paying $150 more than they are now.

Some hon. Members: Hear, hear!

An hon. Member: Answer the question.

Mr. Lawrence: Will the hon. minister attempt to focus his mind on the actual question asked, namely, whether the price that Canadians—whether it is individual taxpayers or the nation as a whole—will have to pay for offshore oil on which, due to his policy, we are still terribly dependent, will be higher.

Can the minister also give us any indication or assurance, or has he received any assurance from the Venezuelan authorities, that there is any extra light crude oil for Canada from that country under any of these new contracts? In other words, not only am I asking whether we will have to pay more for that oil, but also if there is any extra oil available in these contracts with Venezuela.

Mr. Gillespie: If the hon. member had listened to the answers I had given before, he would realize that there are annual negotiations or renegotiations between Petroleos de Venezuela, the national oil company of Venezuela, and the customers of that oil, particularly the customer Exxon about whom he is so concerned.

The Venezuelans made it very clear to me in our discussions in January that they wanted to do business with Canadian companies on a direct basis. They were not interested in dealing with Exxon as a third party, for the very reasons we have all come to realize ourselves. The hon. member has been slow to realize that, Mr. Speaker.

An hon. Member: Yes, very slow.

Mr. Gillespie: We think that Venezuela will want, in its renegotiation with Exxon, to set aside 100,000 barrels, which perhaps otherwise Exxon would have provided to Imperial Oil, in a contract with Petro-Canada, and Petro-Canada would then be in the position of supplying Canadian refineries with 100,000 barrels a day of secured crude.

Mr. Lawrence: Does the minister have any assurance that Canada will be able to pay a lesser price, the same price, or an increased price for that oil; and actually is there any extra oil available from Venezuela apart from the existing contracts?

Mr. Gillespie: Mr. Speaker, 200,000 barrels a day of crude oil has been flowing from Venezuela to Canada. The Venezuelans have said they want to continue that flow of oil to Canada. Of that amount, 100,000 barrels have been purchased by Exxon and shipped, until recently, through Imperial Oil to Canada. Canada has intervened. The Venezuelans will be renegotiating that contract with Exxon. At that time, I would expect that Petro-Canada will be able—

Mr. Forrestall: You don't know what you are talking about.

Mr. Gillespie: Mr. Speaker, apparently members of the official opposition are not interested in the very important question to Canada of security of supply. It is easy to understand why, because the hon. member for Northumberland-Durham as recently as a week ago said before the committee that if his party were in power, they would pass legislation—and these were his words—to get rid of Petro-Canada.

● (1420)

Some hon. Members: Shame.

Mr. Gillespie: All Canadians can understand why they are uncomfortable—

Mr. Chrétien: They are sending Ontario down the drain.

Mr. Gillespie: On the question of price, quite clearly the negotiations will take place around the normal commercial terms and conditions. That is exactly the same basis upon which the negotiations will take place with respect to Mexico: that is normal practice.

Some hon. Members: Oh, oh!

[Mr. Lawrence.]

FUTURE SUPPLY OF OIL FROM MULTINATIONAL OIL POOLS

Mr. James Gillies (Don Valley): Mr. Speaker, my question, also, is directed to the preposterous Minister of Energy, Mines and Resources.

Some hon. Members: Oh, oh!

Mr. Gillies: Anybody—

Some hon. Members: Oh, oh!

Mr. Gillies: Any minister of energy, mines and resources who does not know that it was the hon. member for Halifax who introduced the one-price system for energy in the country obviously does not understand what is going on in the energy policy of this country.

Some hon. Members: Hear, hear!

Mr. Gillies: The first suggestion in the House of Commons for a one-price system across the country was introduced by the hon. member for Halifax; the minister ought to know that. It had nothing to do with his party.

Mr. MacEachen: Why did you vote against it?

Mr. Gillies: A minister who has forgotten—

Some hon. Members: Oh, oh!

Mr. Gillies: We cannot get the energy we need—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I think the hon. member is indicating that he is coming to his question.

Some hon. Members: Hear, hear!

Mr. Gillies: It is very difficult to come to a question with the answers we are receiving here today. Seeing that the minister is moving into a policy which, indeed, could take Canada away from the possibility of participating in the multinational, general oil pools for the allocation of oil around the world, I ask the minister what specific leverage he is bringing against the multinational oil companies right now to assure that under no circumstances will Canada not be able to acquire oil from the multinational oil pools. The only time we hear anything about energy from that party is when there is a crisis.

Some hon. Members: Order.

Mr. Gillies: Let us find out, now, what agreement he has which can be tabled in the House to ensure that under no circumstances will Canada not be able to participate and obtain supplies from the multinational energy, oil pools?

Hon. Alastair Gillespie (Minister of Energy, Mines and Ressources and Minister of State for Science and Technology): Mr. Speaker, the hon. member has a very short memory.

Some hon. Members: Hear, hear!

Mr. Gillies: Not as short as yours.

Mr. Gillespie: It was his party which voted against the one-price system for Canada. It was his party which voted against the Petroleum Administration Act—

Some hon. Members: Hear, hear!

Mr. Gillespie: —which gives the Government of Canada the power to set prices below international prices. The hon. member has a very, very short memory.

Mr. Chrétien: No memory at all.

Mr. Gillespie: If the policy of the Tory party were in place right now, we would be paying the international price.

Some hon. Members: Hear, hear!

Mr. Alexander: Stick to the question.

Mr. Gillies: Answer the question.

Mr. Speaker: I wonder if we could set aside this interesting debate and get back to questions on one side and answers on the other.

Mr. Clark: The minister has no answers.

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

Mr. Clark: Let the minister answer.

Mr. Gillies: Mr. Speaker, it is very difficult to ask a supplementary question when we cannot get an answer to any of the questions we ask.

Some hon. Members: Hear, hear!

An hon. Member: The minister is a buffoon.

Mr. Gillies: If we want to talk about selective memories, we have seen one in operation. But my question is very simple and very important to the people of Canada. The question is simple, and I repeat what I asked: What has the minister done, what leverage is he applying against the multinational oil companies right now—not when we have another crisis, but right now—to ensure that under no circumstances will Canada be taken away from participating in the multinational oil pools?

● (1425)

Mr. Gillespie: Mr. Speaker, if the policy of the Tory party is followed, we will all be paying the international price.

Some hon. Members: Answer the question.

Mr. Gillespie: We will all be paying international prices.

Some hon. Members: Answer the question.

Mr. Gillespie: There would be prices set by international companies and OPEC, and not by negotiation with the province of Alberta.

With regard to the multinationals, we have taken action because we have seen that one of the internationals, the Exxon Corporation, wanted to interfere with Canadian supply.

An hon. Member: You are not answering the question.

Mr. Gillespie: We have also taken action in respect of this bill because we have put through an amendment which will give Petro-Canada an opportunity to act as a watchdog for Canada.

Some hon. Members: Hear, hear!

Mr. Gillespie: I have received assurances from the Shell Oil Company that it will deal directly with Venezuela; it is dealing directly and it is contracting directly. I have received assurances from two other major international corporations with refineries in Canada that they, too, will seek a direct buying relationship.

My regret is that Exxon was not prepared to allow its subsidiary in Canada, Imperial, to get the same deal and the same arrangements, for example, direct dealing as Shell has done; that is why I have asked Petro-Canada to step in and obtain for Canada a secure source of supply.

Some hon. Members: Hear, hear!

ACTION TAKEN TO MAINTAIN SECURITY OF SUPPLY

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources and Minister of State for Science and Technology.

When Imperial Oil announced, on orders from Exxon, that it would divert oil destined for eastern Canada, the minister stated that this was unacceptable and that the matter would not be resolved to his satisfaction until Imperial had established direct contractual links with Venezuela.

Now that the minister has been rebuffed on both counts, can he tell us what concrete action he will be taking against Imperial to restore oil supplies, since Petro-Canada will not be able to get oil from Venezuela until existing contracts run out at the end of the year?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, I made it very clear yesterday, in answer to a similar question by the same hon. member, that because Imperial was unable or unwilling to secure a direct contractual relationship with Venezuela for 100,000 barrels a day, I had asked Petro-Canada to move in. Petro-Canada has been in discussion already with Venezuela in respect of securing a contract for the 100,000 barrels a day.

The hon. member knows that these exports are covered by contracts, and certain contracts have a period of time to run. The Exxon contract, as I understand it, has not run out, nor

have some of the others, but there will come a time in the relatively near future when there will be discretionary volumes available, I have been advised, which Petro-Canada will then be able to negotiate or contract for and make available to Canadian refiners.

Some hon. Members: Hear, hear!

Mr. Symes: Mr. Speaker, the minister has not answered the question.

An hon. Member: That is right.

Some hon. Members: Oh, oh!

An hon. Member: He doesn't know.

Mr. Symes: The minister said that any such diversion would be totally unacceptable on the part of the government. The fact is that Imperial still refuses to ship 9,000 barrels of oil a day that was contracted for the eastern Canaian market. Is the minister going to let Imperial get away with that? Precisely what sanctions is he prepared to apply against Imperial in order that we get the oil that was duly contracted for us?

Mr. Gillespie: Mr. Speaker, I believe the action I have taken with regard to swaps and, more particularly, to Petro-Canada's role in this matter is a clear indication of the federal government's commitment to a policy. I believe that most of the oil industry also regards it as a sanction, to use the hon. member's word.

● (1430)

Mr. Symes: Mr. Speaker, I think it is becoming very clear to the Canadian public that, with all the rhetoric of the minister, it is Imperial Oil that has the tiger in the tank and that we have a pussycat in the energy portfolio.

Exxon has also announced that it will stop supplying oil next year to the Golden Eagle refinery which services most of the independent distributors in Quebec. The minister assures us that this shortfall will be made up by Petro-Canada importing oil from Venezuela. Is Petro-Canada, then, negotiating for oil in addition to Imperial Oil's 100,000 barrels a day share, or will Petro-Canada take over Imperial's share at the end of the year; or is the minister really telling us that it is just trying to obtain oil in addition to the 200,000 barrels a day already committed to Exxon and to Imperial? If it is the latter, then the ongoing problem of future diversions by Imperial will not be solved.

Mr. Gillespie: Mr. Speaker, I made it very clear that Petro-Canada will be entering into negotiations with Petroleos de Venezuela, the national oil company of Venezuela.

An hon. Member: Will be!

Mr. Gillespie: That national company will decide on its allocations to Exxon, to Petro-Canada, to Shell and to other Canadian refiners. Venezuela has clearly stated a preference for dealing with the national oil company of Canada and a preference for dealing on a direct basis.

I believe, given the fact that they have also given this commitment, that they will continue to supply us with 200,000 barrels a day, and that the 100,000 barrels a day which Petro-Canada will be obtaining will mostly come out of the hide of Exxon.

* * *

[*Translation*]

PUBLIC SERVICE

INQUIRY WHETHER SURPLUS LANGUAGE TEACHERS WILL HAVE ACCESS TO CAREER COUNSELLING PROGRAM

Mr. Gérard Laprise (Abitibi): Mr. Speaker, my question is directed to the President of the Treasury Board. Last Tuesday, March 6, I asked the President of the Treasury Board whether he had finished his inquiry on the eligibility of surplus civil servants of the Public Service Commission Language Bureau for the career counselling program. He answered the following, and I quote:

> As I recall, we have decided to protect those people whom the hon. member referred to in the question he asked me. In other words, I think that those people who might want to follow a career counselling program will be protected until new funds are available.

However, during the last few days, several of those teachers were refused access to the career counselling program. Can the President of the Treasury Board tell us whether he is really responsible for the decisions he makes in his department, whether he is the boss in his department? Finally, do surplus teachers of the Public Service Commission Language Bureau have the right to avail themselves of the career counselling program, yes or no?

Hon. Judd Buchanan (President of the Treasury Board): Yes, it is clear. Mr. Speaker, I checked that, after which I gave that information to my hon. colleague. I checked that with the people in my department. Of course we provided funds amounting to $4.3 million but we allocated all those funds to the people who have already registered for that program. If my memory serves me well, about 100 teachers from the Language Bureau were not admitted in that program but there are something like 250 or 300 teachers who are registered. The funds which will be available by April 1 have already been earmarked for the teachers and the other people who are already registered in the career counselling program.

Mr. Laprise: On a supplementary. I understand the reply given by the President of the Treasury Board, but teachers who want to participate in this carreer counselling program are being told that funds are used only to pay public servants and allow them to travel in Canada, and that there are no funds available for them until April 1. Can the President of the Treasury Board tell us if these teachers will be eligible for funds under this program as of April 1?

Mr. Buchanan: Mr. Speaker, as I have just said, the additional $4.3 million allocated to this program has already been paid to teachers, about 250 of whom are already registered for this course. They will be using the $4.3 million after April 1. I think that some 100 teachers are not registered, because of insufficient funds, unfortunately.

Mr. Laprise: Mr. Speaker, on another supplementary. The minister tells us there are no longer sufficient funds for those 100 teachers to register with the CCP. With a view to making up to some extent for the injustice inflicted upon those French language teachers when it was decided to cancel the program before 1983, at which time it was originally supposed to end, could the minister not find funds, somehow, somewhere, to give them the same opportunities as the other teachers?

Mr. Buchanan: Mr. Speaker, I can look into that suggestion but last year the amount available was $1.7 million, I believe, and we have now increased those funds to $4.3 million. However, I shall see if perhaps other funds cannot be used to that end.

[*English*]

EXTERNAL AFFAIRS

TREATMENT OF VIETNAMESE REFUGEES

Mr. Peter Stollery (Spadina): Mr. Speaker, my question is to the Secretary of State for External Affairs. In view of the truly scandalous way that Vietnam is ridding itself of its citizens of Chinese descent—reminiscent of nazi Germany's treatment of the Jews—and in view of the fact that Canada is taking more of these refugees from Vietnam than any other non-involved country, is the Canadian government making a firm protest to Hanoi of its practice of extorting money from ethnic Chinese by Vietnamese government officials and then actually putting these ethnic Chinese aboard unsafe and unsanitary freighters by means of Vietnamese government launches?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I do not want either to confirm or deny the various specific matters raised by the hon. member, because I am not personally aware of them.

I do know, as I am sure do all members of the House, that the plight of the Vietnamese refugees is most deplorable, and in that regard we have made repeated representations to the Vietnamese authorities. I believe that within the next few days a further representation will be made in Hanoi.

So far we have been encouraged by the reports we have had from the Vietnamese officials that they are prepared to be more forthcoming. I say that with some qualification because I do not want to raise hopes inordinately. At the moment, the Vietnamese have said that they are prepared to be more co-operative and perhaps to eliminate some of the practices to which the hon. member referred. In order to make sure that the matter is moved on as fast as possible, our representatives have been instructed to take that initiative as quickly as they can, which will be within a few days.

* * *

ENERGY

PRICE OF OIL PURCHASED THROUGH PETRO-CANADA

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources, who so far today has evaded answering three specific and important questions about his so-called arrangement with Venezuela.

Can the minister tell the House of Commons whether he now has specific guarantees that the price of oil through Petro-Canada would be lower than or at least the same as the price we now pay? If he has those guarantees, will he tell this House today or by tabling later this week exactly what those precise guarantees are?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, I have indicated that they will be the normal commercial terms.

Mr. Clark: Mr. Speaker, that is another way of saying no, he has no guarantees. I wonder if I might ask the minister whether—there is a great deal of shouting on the other side, Mr. Speaker, so I will wait until they calm down.

• (1440)

My question to the minister now is this: Does he have any guarantees, now, that there would be oil available from Venezuela? Has he those guarantees? Will he tell us their specific nature, now, and if he cannot tell us their specific nature will he give us a specific undertaking to table later this week a document indicating their specific nature?

Mr. Gillespie: Mr. Speaker, I will guarantee one thing: I will guarantee there will be no profits paid to a third party, to a middleman. The hon. Leader of the Opposition cannot guarantee, with his policy, that that will not happen if Exxon continues. Indeed, he invites everybody to believe that he will continue with the Exxon arrangement which would cream off and guarantee third party or middleman profits. I will guarantee to the Canadian people that there will not be any third party profits of that kind.

Mr. Clark: A final supplementary question, Mr. Speaker. The minister is much better at accusations than he is at answers. Let me try him on a third matter. Can he tell this House of Commons what specific agreements he has now from multinationals involved in the oil business to guarantee Canada's continued access to multinational pools, so that in the next crisis Canada will not find herself cut off from multinational supplies?

What are the specific guarantees? Can he tell us what they are, now, in detail or will he give us an undertaking to table in

detail later this week the nature of those specific guarantees he has with multinationals?

Mr. Gillespie: Mr. Speaker, if the hon. Leader of the Opposition were following the debate, he would realize this is one of the problems: that companies like Exxon will not guarantee to Canada continuing supplies. He would also realize that is one of the things we are trying to extract from the international companies. We have been after the internationals to give us those guarantees. We have not yet got them, but we hope to get them. He should also realize that while we cannot get them, we are prepared to instruct Petro-Canada, the company which he would destroy, he would dismantle, he would wind-up—

Mr. Whelan: Shame.

Mr. Gillespie: We intend to use Petro-Canada to provide security for Canada, which he would destroy.

CALL FOR NATIONAL INQUIRY INTO NUCLEAR ISSUES

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is also for the Minister of Energy, Mines and Resources who did, indeed, establish quite a record with regard to third party payments on nuclear plants.

Some hon. Members: Hear, hear!

Miss MacDonald: My question concerns the conference on nuclear issues held last week in Vancouver which was sponsored by the Committee on Nuclear Issues in the Community, a federally-funded body.

Since, in the words of the national co-chairman, the conference in Vancouver produced "little results"—and, sir, I have deleted the expletives—and since the committee has only managed to hold three meetings at the community level during the past year, with negligible results, is the minister finally prepared to do what we in this opposition party have been asking for a long time with regard to this issue, that is, to set up a national inquiry to examine every aspect of the risks and benefits of nuclear power?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, if the hon. lady had followed the remarks of the chairman, she would realize that he was placing considerable emphasis on dialogue, as we have. She would recognize that there have been three royal commissions, and that a fourth one was appointed recently. I am referring, of course, to the Hamm royal commission in Ontario, to the Porter royal commission which is continuing its work in Ontario, to the Bayda royal commission in Saskatchewan and, more recently, the Bates royal commission in Vancouver.

There has been a large number of royal commissions: four, to be exact. Those royal commissions have been examining the very kinds of questions which the hon. member says she would like yet another inquiry to examine. We felt it would be more appropriate to place the emphasis on dialogue. The problem has been that when we have tried to create conditions for dialogue, the dialogue has not occurred; it has been used as a platform for various contending forces. Indeed, too often, unfortunately, it has turned into diatribe, not dialogue.

Miss MacDonald: A supplementary, Mr. Speaker. Since the minister happens to be relying on Ontario in this regard for a royal commission report, or on Saskatchewan, as he said, we on this side are interested in who speaks for Canada on this issue.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Miss MacDonald: Since we are the only country in the western world concerned with nuclear power that has not addressed this subject nationally and publicly, since the minister's in-house task force committee has not been able to come to grips with the public's concern, and since the Committee on Nuclear Issues in the Community did not even get down to the community level, I should like to ask the minister: since he is not prepared to set up a national inquiry to deal with this subject, how does he intend to have the national voice heard on this very important matter?

Mr. Gillespie: Mr. Speaker, I thought I noticed that the hon. lady blushed.

Mr. Hnatyshyn: Iona, there is a chauvinist in your midst.

Mr. Gillespie: Who speaks for Canada?

An hon. Member: Not you.

Mr. Gillespie: I think if she were serious in her question, she would recognize that this House and the Standing Committee on National Resources and Public Works has an opportunity of hearing—

Miss MacDonald: You would not even give us a reference.

Mr. Gillespie: —and taking into consideration the views of Canadians wherever they may be.

An hon. Member: There is no reference.

Mr. Gillespie: Mr. Speaker, a report was referred to that committee. It was prepared by a group of experts. That committee has had a number of hearings. That reference is presently before the committee and, at the committee's pleasure, it can call witnesses to consider that very important question.

* * *

GOVERNMENT EXPENDITURES

CRITERIA RESPECTING EX GRATIA PAYMENTS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I want to put a question to the President of the Treasury Board.

I come back to the subject of the government's policy on ex gratia payments which, as the government has quite properly said, are based on benevolence, public interest and no liability—although they do not seem to be following this approach with people like Dr. Peter Treu.

I ask the minister why Treasury Board emphatically rejected, on November 17, 1977, a $500,000 ex gratia payment to Ste. Marie Air Services. Can the minister explain what amazing reversal then apparently prompted Treasury Board to change its mind and pay this $500,000?

Hon. Judd Buchanan (President of the Treasury Board): Mr. Speaker, the hon. member has written to me on this matter and I have replied to him, I think, on two occasions by letter. I am looking at the letter now. It seems to have had some difficulty in permeating through to the member, so I thought maybe I should take it past once more. I wrote as follows:

—in the case of the payment of $500,000 to Ste. Marie Air Services, the fact that there was at the time of consideration a bill before the House of Commons that would have entitled certain people, affected by a decision to utilize air space above their operations, to compensation.

The hon. member has written again suggesting that he is unhappy with this reply. I have requested that additional information be sought.

Mr. Stevens: You do not understand it.

Mr. Buchanan: Neither does the hon. member. I would be happy to pursue it further with him.

Mr. MacKay: Mr. Speaker, a supplementary question. For the minister's information, Bill C-4—which is the only possible one which could apply—does not apply. I want to bring to his attention a Treasury Board memorandum which I hope he has seen. It indicates that the cheque was delivered on March 23. It also refers to the fact that the release that cost the taxpayers of this country $500,000 for picking up some nebulous interest, no doubt, was not to be registered.

I want to ask the minister why this practice was not followed. Surely he is expected to show a little good management in this country. Why was this release not registered for that half million dollars after the policy was reversed?

● (1450)

Mr. Buchanan: Mr. Speaker, as I indicated to the hon. member, my understanding is that the payment that was made to Ste. Marie Air Services complied with the policy which was explained to him clearly in a letter, and that in fact the payment that was made complied with that policy of the federal government.

Oral Questions

HEALTH AND WELFARE

OHIP—DEFINITION OF "REASONABLE ACCESS TO INSURED SERVICES BY INSURED PERSONS"

Mr. Bob Rae (Broadview): Mr. Speaker, my question is addressed to the Minister of National Health and Welfare: it deals with the matters I raised on Monday.

I point out to the minister that the Medical Care Act which was passed by parliament in 1960 provides that contributions made to a province where there are "uniform terms and conditions to all insurable residents", and I quote:

—on a basis that does not impede or preclude, either directly or indirectly, whether by charges made to insured persons or otherwise, reasonable access to insured services by insured persons.

My question to the minister is quite simple. What is the minister's definition of "reasonable access" which is set out in the Medical Care Act? Will the guidelines which she says her department is preparing include the problem of the deterrent fees as well as the problem of physical access where there are no doctors in the plan?

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, I thought my answer on Monday was also reasonably simple. I answered every aspect of that question. I said that I had instructed my officials, further to the meeting of the deputy minister of health, to develop the guidelines defining the practical implications and barriers or what the four principles, including universality and accessibility, mean. I will have them make that known to the provinces as soon as it is done.

By this time I have forgotten the last part of the hon. member's question—which I also answered on Monday, by the way.

Some hon. Members: Oh, oh!

Mr. Rae: Mr. Speaker, the Ontario minister of health, Mr. Timbrell, when asked questions apparently spoke to the minister after our discussion in the House on Monday. He said, "The minister and I are of one mind. We are both concerned that universality be maintained; however, universality could not be defined".

Nothwithstanding that when a Liberal and a Tory cabinet minister get together, they might well produce one mind, my question is this: Does the minister agree that the federal government has a responsibility to produce—and it should not be very difficult and should not require extensive discussion with officials—a definition of the concept of universality so that it is understood by the provinces? Does she not think that the federal government has a responsibility to provide insured services to people right across Canada, when we know that these insured services are not being provided at the present time?

Miss Bégin: Mr. Speaker, if the hon. Dennis Timbrell and I are of one mind, then the hon. member for Cochrane is in a difficult split-personality position.

I again repeat that Canadians will continue to have access to a universal system that does not have deterrent fees which prevent their getting all the health care they need. The telephone conversations I had have no relationship to this discussion. I told my colleague, the Ontario minister, that universality and accessibility are, of course, principles that we will not abandon today. We are developing those guidelines. This includes deterrent fees—which was the last part of the question—the relationship of doctors' fee schedules and the way the provinces have settled them.

I have indicated to this House that I have one question to which I want an answer. Why is it that provinces like Alberta, Manitoba and Ontario have settled for such low fees for the doctors, thus permitting extra billings on the backs of the customers?

Some hon. Members: Hear, hear!

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THE SEAL HUNT

PETITION SIGNED BY BRITISH MPs OPPOSING THE HUNT

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, I should like to address my question to the minister of fisheries and oceans.

In view of reports in yesterday's press that 70 Labour members of parliament in Great Britain have signed a petition opposing the seal hunt and asking their government to take discriminatory action against Canada, will the minister ask the British government to advise those 70 members to address themselves to the serious problems facing their own country and cease interfering in matters of strictly Canadian jurisdiction and concern?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, I am sure this House would not want me to assume responsibility for what members of another House decide to do or not do. Perhaps I can quote a famous phrase from the fishermen's union leader in Newfoundland, who reminded us that the RSPCA had been created many years before legislation was passed to protect children from going down to work in the mines.

* * *

BANK ACT

LEGISLATION TO EXTEND PROVISIONS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Deputy Prime Minister. It has to do with the Bank Act which expired in 1977 and was continued by action of parliament until March 31 of this year.

Does the government intend to bring in legislation between now and the end of this month concerning the Bank Act and the extension of that act?

[Miss Bégin.]

Hon. Allan J. MacEachen (Deputy Prime Minister and President of Privy Council): Mr. Speaker, as the right hon. gentleman knows, if parliament sits for 20 days—as I recollect—in the month of March, it would be necessary to bring in a bank extension act, or in the meantime pass the major revisions to the Bank Act itself, which I regard as quite unrealistic.

I assure the right hon. member that we will take action rather than have the banks disappear in the absence of a bank extension act or an end of parliament before the expiry of the 20 days.

Mr. Diefenbaker: As always, the hon. gentleman answers questions fully and unobjectively. I point out to him that, with all the circumlocution he took in his answer, he failed to point out the fact that if an election is called between now and March 31, the Bank Act would continue automatically to be in effect. Is that what the government intends to do? Does the evasion on the part of the minister indicate that that is the plan?

Mr. MacEachen: Mr. Speaker, I hesitate to correct the right hon. gentleman—

Mr. Jamieson: Oh, go on.

Mr. MacEachen: —but I think the expiry date would be earlier than March 31. With regard to the very interesting question which he has posed, I think we will all have to wait and see.

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CANADIAN BROADCASTING CORPORATION

BROADCASTING OF WHA GAMES

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is directed to the Secretary of State, who is responsible to this House for the CBC.

In view of the fact that I made personal representations to the minister in this chamber over nine months ago concerning the CBC's broadcasting of certain WHA games in the cities of Edmonton, Winnipeg and Quebec City, could the minister now inform the House if either he or his officials in the CBC have given authorization to broadcasting WHA games involving Canadian teams such as the Edmonton Oilers, the Winnipeg Jets and the Quebec Nordiques, thereby giving the citizens of all of Canada, particularly Edmonton, Winnipeg and Quebec City a greater sense of national involvement, and stop treating us as second-class citizens in western Canada?

Hon. John Roberts (Secretary of State): Mr. Speaker, it is undoubtedly true that the hon. member, as well as many members on this side, made representations to me months ago about coverage by the CBC of World Hockey Association games. I did transfer those representations to the CBC, as I am sure I told the hon. member I would. I will be glad once again to communicate with them to see if they agree with the

hon. member that he has been treated like a second-class citizen in this matter.

* * *

PUBLIC SERVICE

WAGE COMPARABILITY WITH PRIVATE SECTOR

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is to the President of the Treasury Board. Two days ago, in response to a question from the hon. member for York-Simcoe, the Minister of Finance said:

That is why I am pleased to report that the public sector, both federal and provincial, by the end of 1978 was two points below the private sector.

Can the President of the Treasury Board tell me whether that statement was true or false?

● (1500)

Hon. Judd Buchanan (President of the Treasury Board): Mr. Speaker, my understanding is that the federal public sector—I cannot speak for the other two levels of government—was at approximately 7 per cent after it came out of controls, and that the private sector during the period in which it was totally outside controls was at 9 per cent, which would account for that difference of 2 per cent.

Mr. Fraser: The words of the Minister of Finance were clear; he said "both federal and provincial" in terms of the public sector. I am asking the minister whether, in fact, that statement was correct, whether those figures include total compensation or whether they are limited merely to wages.

If those figures allow for total compensation, what effect might they have on the comments made by the Minister of Labour with respect to legislative comparability in Bill C-22?

Mr. Buchanan: Again, I am sorry I cannot give the exact figure for the provincial governments. I believe it is somewhat in excess of our 7 per cent; but the 7 per cent I quoted does, in fact, embrace compensation and it is my understanding that the private sector figure I used also embraces total compensation.

* * *

PRIVILEGE

MR. YEWCHUK—RESPONSE OF MINISTER OF NATIONAL HEALTH AND WELFARE DURING QUESTION PERIOD

Mr. Speaker: Yesterday, in the course of discussion of a question of privilege raised by the hon. member for Athabasca (Mr. Yewchuk) to which a contribution was made by the Minister of National Health and Welfare (Miss Bégin), a question arose as to a possible discrepancy between various texts of *Hansard* and the final printed version. As has always been my practice and as I naturally would, I undertook to look into this matter on behalf of the House and determine the true sequence of events as they occurred.

The quotation by the hon. member for Athabasca was, in fact, from the press run copy, which is the first rough copy which comes from the reporter's notes. It is not verified by the reporter or by the editor; it is simply a rough copy prepared by the reporter, which has been used by the press but has never been used for purposes of quotation either by them or in the House because of its rough, unedited nature. When the reporter has an opportunity to verify the notes and the editor has examined them, a second copy is prepared. That is the copy generally referred to as "the blues" which goes to the member who is concerned in case any alterations might be required to improve the grammatical sense or the editorial accuracy of those notes before the final version is printed.

In this particular case several changes, as is always the situation, were made between the rough copy which, as I say, is not to be used for quotation, and the preliminary copy, "the blue", the one which is submitted to members for verification. The minister has said in this instance that no alterations were made by her. The alterations which were made were made by the Editor and the Chief of the Branch, Mr. Baker, who as is, thankfully, his usual practice, backs up his own floor reporters by sitting in the gallery and taking his own notes. When he examined the rough copy he made the changes which occurred and he did so because his notes indicated that those changes accurately reflected what the minister had, in fact, said.

Subsequently, since this matter had arisen, I asked him, of course, to verify his version with the sound tape and also with the television tape. He has done so and verifies that his own notes as to what the minister had said were, in fact, accurate. His notes were verified by the sound tape and the television tape. That is why the version in his notes, which appeared in "the blues" and in the final transcript of *Hansard*, is precisely the language used by the minister on Monday.

I think we have to say in the circumstances of the tumultuous exchanges which can take place in the House of Commons it is a mark of considerable merit to the *Hansard* reporters, and particularly to the Chief of *Hansard* that he extends this rather remarkable devotion to the accuracy of the printed word.

Some hon. Members: Hear, hear!

MR. McKENZIE—ANSWER GIVEN BY PARLIAMENTARY SECRETARY TO MINISTER OF TRANSPORT DURING DEBATE ON ADJOURNMENT MOTION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I wish to obtain clarification with regard to something which was said in the course of the debate in which I was involved in last night on the adjournment motion. I was misinformed by the parliamentary secretary—perhaps he misunderstood my question, or whoever prepared the answer he gave did not prepare it properly. I was inquiring when an independent audit would be carried out in connection with the Canadian National pension fund and when such an audit would be tabled in the House of Commons. Such a procedure was agreed to on May

4, 1978, when I presented an amendment to Bill C-17 in the House of Commons which called for:

A continuous audit of the accounts of the Canadian National Railways and the pension fund of its employees shall be made by independent auditors appointed annually by the governor in council and the auditors shall report annually to parliament in respect of their audits.

Last night the Parliamentary Secretary to the Minister of Transport (Mr. Lapointe) stated in his answer to me:

—I should like to tell him that that the CN pension fund has been audited for 1978 by the accounting firm of Coopers & Lybrand. In addition, the Superintendent of Insurance has completed an audit on the Canadian National pension fund.

The second question was: when will this report be made public? . . . he should know that the annual report of the CNR is automatically referred to the Standing Committee on Transport and Communications. We have a tool there which we can use to put questions to the administration—

Mr. Speaker, the terms of my amending motion call for this independent audit to be tabled in the House of Commons. I checked with the parliamentary returns branch and find they have received no audit whatsoever from any auditors. All they have is an auditor's report for 1977 and there is no information at all in that about pension funds. They have no annual report for 1978 and no independent audit of the pension fund for 1978. In these circumstances the statement by the parliamentary secretary that I can get all the information I want in the standing committee when CN officials are there is not correct. The annual report and audit are to be tabled in the House of Commons; it is not for me to go to the standing committee to get the information. This being the case, I should like the Minister of Transport (Mr. Lang) or his parliamentary secretary to tell me whether they properly understood my question last night or whether whoever prepared the answer which was given prepared it correctly.

[*Translation*]

Mr. Charles Lapointe (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I feel the hon. member is exaggerating somewhat when he says that I may have misled the House last night. If you reread the text of my reply, it will be found more accurately that I did not give a specific answer to the also specific question of the hon. member, but that all I did say was a reflection of the truth. With regard to the more specific question, that is, when the report of the auditors will be tabled in parliament, I shall inquire about it and advise the hon. member accordingly.

[Mr. McKenzie.]

ROUTINE PROCEEDINGS

[*English*]

LIVESTOCK FEED ASSISTANCE ACT

MEASURE TO AMEND

Hon. E. F. Whelan (Minister of Agriculture) moved for leave to introduce Bill C-45, to amend the Livestock Feed Assistance Act.

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

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MUNICIPAL GRANTS ACT, 1979

MEASURE TO PROVIDE FUNDS

Hon. Allan J. MacEachen (for the Minister of Finance) moved for leave to introduce Bill C-46 respecting grants to municipalities, provinces and other bodies exercising functions of local government that levy real property taxes.

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

* * *

● (1510)

FARM CREDIT ACT

MEASURE TO AMEND

Hon. E. F. Whelan (Minister of Agriculture) moved for leave to introduce Bill C-47, to amend the Farm Credit Act.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Roger Young (Parliamentary Secretary to Solicitor General): Mr. Speaker, the following questions will be answered today: Nos. 146, 831 and 1,116.

[*Text*]

WESTERN GRAIN STABILIZATION FUNDS

Question No. 146—**Mr. Hnatyshyn:**

Is the government giving consideration to having the funds which are contributed to the western grain stabilization plan deposited in other than the consolidated revenue fund, and allowing such funds to be used for the benefit of the western economy?

Hon. Otto E. Lang (Minister of Transport): The minister responsible is considering alternative means of handling the funds, particularly in relation to a request from Credit Unions.

URBAN AFFAIRS—PROJECTS IN RICHMOND

Question No. 831—**Mr. Beaudoin:**

1. Since 1968, did the Ministry of State for Urban Affairs finance projects in the Constituency of Richmond and, if so (a) what were the projects (b) what was the (i) total amount (ii) amount in each case (c) what were the areas?

2. Is the Ministry planning to do so in the near future and, if so (a) what will be the amount (b) in which areas?

Hon. André Ouellet (Minister of Public Works and Minister of State for Urban Affairs): The Minister of State for Urban Affairs did not finance any projects in the constituency of Richmond since the formation of this ministry in June 1971. There is no plan to finance any projects in the near future because the ministry will not be functioning after March 31, 1979.

DEPUTY MINISTERS

Question No. 1,116—**Mr. Lambert (Bellechasse):**

1. As of December 31, 1978 how many (a) deputy ministers (b) assistant deputy ministers (c) public servants who did not have the rank of deputy minister, but who had equivalent responsibility, were there in the public service and how much did they earn?

2. Did the persons filling the positions above-mentioned receive salary increases on January 1, 1979 and, if so, what was the percentage of the increase?

Mr. Thomas H. Lefebvre (Parliamentary Secretary to President of the Treasury Board):

1. As of December 31, 1978:

(a) There were 31 deputy ministers whose average salary was $58,468.

(b) There were 105 assistant deputy ministers at an average salary of $46,832.

(c) There were 67 equivalent deputy ministers who are governor in council appointees whose average salary was $53,115.

2. There was no salary increase for any of the foregoing on January 1, 1979.

[*Translation*]

Mr. Speaker: The questions enumerated by the hon. parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

* * *

[*English*]

MOTIONS FOR PAPERS

Mr. Roger Young (Parliamentary Secretary to Solicitor General): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I rise on a point of order, having regard to the request of the Parliamentary Secretary to the Solicitor General (Mr. Young) to stand all notices of motions for the production of papers. I want to draw to the attention of the parliamentary secretary the fact that item No. 1 under notices of motions for the production of papers has been on the order paper since the beginning of this session, and it has not been dealt with yet. I point out that subsequent notices of motions for the production of papers have been presented and dealt with by the parliamentary secretary from time to time and that mine has not been attended to.

I am moved to bring this to the attention of the House and the parliamentary secretary at this time because during the question period the Minister of Energy, Mines and Resources (Mr. Gillespie) said that in terms of nuclear policy he wanted dialogue and not diatribe. My notice of motion, to refresh the memory of the parliamentary secretary, is the following:

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all documents relating to the establishment of a uranium refinery near Warman, Saskatchewan, or elsewhere in the province of Saskatchewan, by Eldorado Nuclear Limited, and copies of an agreement between the government and the province of Saskatchewan or their respective agencies.

This matter has come before the House on previous occasions and the government has not produced these very important documents. The reason it has refused to do so is that the government says it has a proprietary interest in these documents, and the government feels it is not in its interest to disclose to the people of Canada all the environmental studies it is doing in Saskatchewan and what its plans are with respect to the establishment of a refinery in that province. The people of Saskatchewan are entitled to documents and information before Eldorado Nuclear Limited moves unilaterally on its plans to create this refinery.

This is another example of this government's inability to understand that the people of Canada have certain rights regarding information. I press this matter on the basis of freedom of information. If this is the kind of "dialogue" the government thinks it can get away with, it has another thing coming. I remind the parliamentary secretary again that an election cannot be far down the road. The people of Saskatchewan will remember this slap in the face and this lack of intention on the part of the government to bring forward this information.

Mr. Speaker: Order, please. I sense that the hon. member has strayed from the merits of the matter of the documents alone and is on to a slightly political discussion.

Mr. Young: Mr. Speaker, having provided the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn) with at least one answer this afternoon, I thought he might have been a little bit happier. I can tell him that I had hoped to deal with notice of motion for the production of papers No. 1, but there seems to have been some foul-up in the transmission of the papers. I assure the hon. member that I will do the very best I can to deal with this motion very quickly.

Mr. Speaker: Shall the remaining notices of motions for the production of papers be allowed to stand?

Some hon. Members: Agreed.

Price Increases

POINT OF ORDER

MR. PAPROSKI—DELAY IN ANSWERING ORDER PAPER QUESTIONS

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, again I would like to bring to your attention the number of questions on the order paper which were not answered today. There are approximately 82 days left for this parliament. There are 1,200 questions to be answered, and for the government to be answering three questions a day during working days is unfair. I think the government could do a much better job. I would like to see it do a much better job.

Mr. McKenzie: Mr. Speaker—

Mr. Speaker: Order, please. Hon. members will recognize that they missed their chance to raise this subject. We have passed the item of questions on the order paper. I asked if the remaining questions should be allowed to stand, and there was agreement. After that, as we always do, we dealt with the last matter, notices of motions for the production of papers. Any further grievances about questions on the order paper will have to wait until tomorrow.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—CONDEMNATION OF INACTION WITH RESPECT TO PRICE INCREASES

Mr. Lorne Nystrom (Yorkton-Melville) moved:

That this House condemns the government for its failure to take any steps to halt the rising cost of living, and for its failure to roll back, on a selective basis, price increases which are grossly unfair and which are causing extreme hardship for all Canadians.

Mr. Speaker: Hon. members will remember that proceedings on this motion shall expire, in accordance with Standing Order 58(11), at the ordinary hour of adjournment later this day.

Mr. Nystrom: Mr. Speaker, the motion put before the House today by our party reflects what I think is the number one issue among ordinary Canadians from coast to coast. That number one issue is the skyrocketing increases we have seen over the last year or so.

Today we received some further evidence of skyrocketing price increases from Statistics Canada. About an hour and a half ago Statistics Canada announced that the industry selling price for manufacturing in this country went up by 11 per cent from January of 1978 to January of 1979. Just yesterday in the House the Minister of Consumer and Corporate Affairs (Mr. Allmand) assured us that a 3 per cent cut in the manufacturers' sales tax had been passed on to consumers and that that is reflected in the consumer price index. When the minister rises to respond, I hope he will explain how it is that that 3 per cent sales tax cut was passed on when the manufacturing index has gone up by 11 per cent. It is at its highest level since June of 1975. I think the government has been failing on that front as well as many other fronts.

The consumer price index has gone up by some 8.9 per cent. On the other hand, wages increased in 1978 by only 6.4 per cent. In other words, the average standard of living for workers in this country is going down, not up. It is going down largely because a few years ago the Anti-Inflation Board controlled wages but not prices or profits. One need only look at statistics from Statistics Canada on the average weekly wage in 1978 to find that the average weekly wage went up from $252 to $269, which was an increase of less than the increase in the cost of living. If we compute into that the increase in the cost of living, we find that the net loss to the average Canadian worker was some $340 in 1978. So the standard of living in this country has been going down.

This afternoon I want to speak about a number of things which we think should be done. In my opinion the government has not been doing well with regard to a number of things, and I will give the minister some specific examples. The minister is always looking into things. His department does not seem to know its left foot from its right foot. His department seems to exist only for cosmetic and public relations purposes. The Minister of Consumer and Corporate Affairs is a tame pussycat who just purrs. He has yet to learn how to growl and really mean business when dealing with big companies. There have been increases in food prices, farm input costs, lumber prices, energy prices and automobile prices. I could go on and on.

● (1520)

What has the government's response been to the increase in the cost of living? First of all, we had the Anti-Inflation Board which studies profits and not mark-ups. Then we had CSIP which turned out to be a disastrous little institution. Then we had the announcement the other day that tariffs will be taken off some foods. That made big banner headlines across the country. When we checked with the Department of Finance we found out that the reduction of tariffs, and the removal of tariffs in some cases, will mean a saving of only $10 million to the consumers of this country. That means that if you go out and buy a pound of raisins, it will cost you 1.5 cents less than it did before. It will cost you 2 cents less for a can of tomato juice, and it will cost you 7 cents less for a cauliflower. Some policy!

Then, with great fanfare, the establishment two weeks ago of the National Commission on Inflation was announced. Again I suggest it is nothing more than a public relations effort by this government. It has the power to investigate price increases, it has the power and authority to publicize those increases, but it does not have any power to do anything about those price increases. It is an economic eunuch. At this time we need an economic policeman who could intervene in the market place. It does not have any power to control the price;

it does not have any power at all to hold back a price while it is being investigated; it does not have any power to freeze a specific price where there has been some profiteering or some gouging of the public.

As I said, what we need is an agency that is strong. I want to suggest to the minister a number of things which we think must be done if we are to control, to a significant degree, the increase in the cost of living. Our party has spoken about a fair prices commission which would put some teeth into the government's national commission on inflation, which would take the shackles off its feet and which would allow it to have some power and some influence, a commission which would be a small and powerful watchdog with the power to roll back prices when they need to be rolled back. It would have the power to stall a price increase while we are investigating whether or not it is too high. It would have the power to freeze the price for a certain amount of time.

The minister has said to that, "Well, the NDP wants to bring back controls." We are not talking about across the board controls, freezes, or anything of that sort. We are talking about a small body that would have the power, on a selective basis, to stop profiteering or high price increases, and to force rollbacks where rollbacks are deemed to be necessary. I am talking about a powerful little watchdog, an economic hit team which would have the power to go to a bakery, a banking company or an oil company, and say, "Look, we have found your prices to be too high and they should not be that high. You are profiteering, roll back your prices." I suggest they may only look into one out of 500 or 1,000 price increases, but no one will know who will be hit next, and therefore we believe it would have the effect of keeping companies and the market place honest. We do not have that now.

The minister says, "There are all kinds of problems with it. What about the Constitution and prices being under provincial jurisdiction?" I suggest to him that when they brought in the AIB they did not have any problem in controlling wages and getting the provinces to agree. I am sure there is as much an emergency now as there was three years ago when they brought in AIB. We also have other controls in this country. We have a two-price system for wheat, we have a two-price system for copper, and a two-price system for energy. We also have the CTC which controls and regulates prices. What we can do through those agencies and with those commodities, I suggest we can do through the fair prices commission. We can expand our philosophy to the fair prices commission which will have the power, on a selective basis, to roll back prices.

Some hon. Members: Hear, hear!

Mr. Nystrom: I would like to give the minister seven or eight specific examples of what we would refer to a fair prices commission, if he had the guts and the courage to set one up in the country. But before I do that I want to mention briefly four other things which we believe should be done if we are going to bring down the cost of living in this country.

Second, we should reinstate the food subsidies which have been taken off by this government, subsidies which were imposed through the pressure of this party in the minority parliament from 1972 to 1974, food subsidies on fluid milk and on skim milk powder, and put back subsidies on bread and flour which were removed shortly before Christmas of last year. We found that when the subsidy was taken off skim milk powder about a year or so ago, the consumption of skim milk powder in the first six months after the subsidy went off went down by some 56 per cent. Yet the Minister of National Health and Welfare (Miss Bégin) says she is concerned about nutrition and the health of young people.

Third, the bank rate in this country has increased by 40 per cent in the last 13 months. We have a bank rate now that is usurious, that is costing the consumers, the housebuilders, and the farmers a lot more money than it should. We are suggesting to the government that there be an immediate reduction of the bank rate by one per cent and a further gradual reduction after that.

Fourth, there is going to be a two step increase in the price of oil by $1 a barrel in the month of July and another $1 a barrel in January of 1980. We said to the government that both these increases should be rescinded. We do not need these increases and therefore we should be freezing temporarily the price of gasoline, the price of home heating fuel, and the price of other petroleum products we get from oil. I am aware that this would create some anxiety among the government's friends such as the Exxon Corporation, but if one looks at their profit figures one finds that we have played Santa Claus far too long in this country.

An hon. Member: Trust Texaco!

Mr. Lalonde: And Mr. Blakeney.

Mr. Nystrom: We are saying that the regulatory agencies in this country should be beefed up and made tougher, agencies such as the Canadian Transport Commission, in terms of the freight rates and in terms of the Bell Telephone rates that are determined by the CTC.

These are five points in summary which we think should be implemented immediately if we are to decrease the cost of living in Canada.

Now I want to give the minister a few specific examples of price increases which we think warrant investigation by an agency which has the power to roll back prices or to control a price temporarily while an investigation is being carried on. These are not very obscure items, as the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) says, they are items that have been mentioned to us by hundreds of people across the country, items that people buy when they go into the supermarket to purchase consumer goods.

I want to say that there is a great deal of concern across the way that there will be an increase in the cost of living or an increase in inflation because of big wage demands. I want to say to the government that the most effective way to make sure that workers demand reasonable wage increases is to make sure that the price increases which workers are faced

with in supermarkets are reasonable and that those prices are kept low.

First I want to speak about food and the Anti-Inflation Board. In 1978 the price of food went up by 21 per cent. We look at our food dollar. I know that as compared to other countries we do not pay much for our food in terms of the percentage of our dollar. We pay about 16 per cent or 17 per cent and so do people in the United States; in Europe they pay about 20 per cent, in Japan about 30 per cent, and in India about 60 per cent. But when I take a look at the food dollar, I wonder where that food dollar has gone.

Back in 1951, when I was in kindergarten, the farmers got some 60 per cent of the food dollar. But last year, in 1978, the farmers' share of the food dollar has been reduced from 60 per cent to 38 per cent. It is that reduction in the farmers' share of the food dollar that concerns all of us from rural ridings, and it concerns many Canadians because most Canadians do not blame the farmers for the rapid increase in the price of food.

● (1530)

I should like to take a look at some of the specific price increases which I believe the minister should examine. I will start off with turkey. We all remember before Christmas when the increase in the price of turkeys was skyrocketing. We remember the minister saying that farmers were not producing enough; let us open the borders and fly some more turkeys in. That is one turkey who is an expert on turkeys. He said that we need more imports and that there is a shortage of supply. After Christmas and after the supermarkets were restricting the supply to Canadian consumers, we find instead of a shortage that in January there was 22 million pounds of turkey in supply. I believe the minister should have looked into it. He should have had an agency powerful enough to say to the supermarkets, "Look, roll back the price of turkeys. You are gouging Canadian consumers; you are doing it intentionally."

Let us have a look at the price of grade A turkey which is under ten pounds in weight. In the week ending February 9, 1979, as compared to one year earlier, the retail price of grade A turkey went up by some 36 per cent; but the price the farmer receives went up by only 12.5 per cent. The raw product rose 12.5 per cent and the retail price rose 36 per cent. Why does the minister not look into that to ensure that there is an agency to roll back that price to the consumers being gouged?

The same thing applies to the price of chicken. If we compare the same periods of time we will find that the retail price of chicken went up from 69 cents per pound to $1.18 per pound, which is an increase of 71 per cent; while the price the farmer received for producing chicken went up from 46 cents a pound to 53 cents a pound, for an increase of 15 per cent. I am sure it is not the worker processing chicken who received the extra cream. It is not the farmer, but I wonder about the retail companies, processors and people in between. Again the minister rose and talked about a shortage of supply, but the Minister of Agriculture (Mr. Whelan) set him straight by saying that there were four million pounds more chicken in storage as of February 1, 1979, than a year ago. Still the price of chicken rose. It is rather suspicious, it seems to me.

I should like to refer to another example, the price of skim milk powder which is needed by younger people, and indeed by all Canadians. The 34-cent per pound subsidy was removed. The farmers received an increase of four cents per pound. The actual price of raw material went up by 38 cents, but when we look at the new price in the supermarkets it was up by 45 cents a pound. Why did it cost an extra seven cents for skim milk products?

Now I should like to deal with beef. We know farmers were being pressured and ripped off with a low price for beef for three or four years in a row, until approximately a year ago. Last year when prices finally started to rise for the farmers, lo and behold, the price started rising faster for the consumer. We can take a look at some of the margins and some of the spreads. The information I am about to refer to comes from the beef information centre. In June, 1978, the average mark-up on a pound of beef in Toronto was 66 cents, in Calgary it was 72 cents, and in Vancouver it was 94 cents, whereas the mark-up the previous year was 20 cents per pound. I am told by people in the retail business that a mark-up of approximately 25 cents to 30 cents per pound is normal and profitable for supermarkets.

Another example is the price of pork. The minister should direct his attention to this area. In the week ending June 24, 1978, compared to the week ending June 24, 1977, the price of bacon rose 22 per cent, the price of a roast of pork went up 34 per cent, and the price of sausage, which unfortunately a lot of poor people eat because it is one of the cheapest meats, went up by 75 per cent. How much did the price of pork to the farmer rise? The price of pork to the farmer rose 5.8 per cent during the same period of time. We checked out wage increases for packing-house workers and we found the annual wage increase was well within the guidelines established by the Anti-Inflation Board.

Now I should like to deal with the price of bread. Of course we had the intervention of the minister in charge of the Canadian Wheat Board. In a minority parliament we were able to force the minister to subsidize the price of bread for Canadian consumers. The subsidy was removed because of the so-called restraint program when government picks on the little guy. The subsidy on an average loaf of bread of 3.3 cents was removed, yet in retail stores the price of a loaf of bread rose by seven cents or more. In January the CPI indicated that the average increase in the price of bread was 13 per cent. I say to the minister why? When the price of raw material rises 3.3 cents, why does the price of the final product rise by seven cents? Between December 31 and January 1 wages and other costs did not go up. The price of raw material went up 3.3 cents, but the retail price more than doubled. The minister said he is looking into that matter. I wonder if the minister ever stops looking into anything. I wonder if he ever looks in a mirror to see whether he is being serious as the minister.

Of course the subsidy was removed on flour when it was removed on bread, the subsidy of 22 cents on 5.5 pounds of

flour. The hon. member for Nickel Belt (Mr. Rodriguez) buys flour for his wife and five children. When he went into the store in January to buy flour he did not find a price increase of 22 cents; if was 44 cents. In the city of Regina the increase in the price of flour was 42 cents. Once again I must ask, why? When the 22-cent subsidy was removed, why was the retail mark-up 44 cents? In other words, why was the retail mark-up twice that of the raw material?

I should like to turn to the other side of farm equation which makes farmers so angry. I have spoken with farmers from all parts of the country, each and every week. When they find out that the price to consumers of the food they produce is escalating while their incomes are dropping or remaining the same, they become angry. For example, the net incomes of farmers in Saskatchewan actually will drop in 1979, while the net incomes of other farmers across the land will not change. This is happening while farm input costs are escalating rapidly.

The minister and his officials should be investigating and rolling back unwarranted price increases. Repeatedly farmers have referred to price increases in parts and repairs on farm machinery. When the hon. member for Nanaimo-Cowichan-The Islands was approached by farmers he was told that a little nut, bolt or part which used to cost approximately a couple of dollars now costs $10 or $12.

I should like to direct the attention of the minister to the specific example of a press drill boot. I tell the hon. Minister of Consumer and Corporate Affairs that a press drill boot is a little metal ending which is on the end of the hose or funnel which goes between the disks when seeds are being planted in a field. The International Harvester press drill boot ten years ago cost $8 each. Approximately three years ago the same little piece of metal cost $27 each. Do hon. members know what that piece of metal costs today? It costs approximately $62. It went up by 129 per cent in three years, and in the last year it went up some 55 per cent.

Mr. Rodriguez: It must be made of nickel.

Mr. Benjamin: Or gold-plated.

Mr. Nystrom: I know the salaries of steelworkers did not rise that much. Also I know the raw price of steel did not rise that much. I look at the profits of steel companies and I wonder whether the extra dollars being paid by farmers for press drill boots went to the multinational companies in terms of profits. That particular problem was referred by the minister of agriculture in Saskatchewan to the Minister of Consumer and Corporate Affairs. Do hon. members know what the minister said? He said, "I am sorry; we have no power to roll back prices since the AIB. We have set up CSIP to investigate, but there is no apparent violation under the Combines Investigation Act, and we have no power to roll back price increases since the AIB went to the promised land and was buried."

• (1540)

Let me give the minister a few more examples of farm input cost increases that anger my constituents. Let us consider the 100-horsepower tractor, which is a common thing on the farm these days. The average price of such a tractor, according to the department of agriculture in the province of Alberta, went up by some 16 per cent in the last year. That tractor now costs the farmer $28,000. Let us consider the combine which a year ago cost $32,000 and now costs $41,000 for the same model and the same size, but one year newer. That is an increase of some 30 per cent. Is it any wonder that the price of the final product in this country is going up at an alarmingly rapid rate?

Let me give the minister a couple of examples outside the food and agricultural area. The first example I would mention is textiles. I do not know if the minister noticed in the newspaper this morning the report that the price of textiles in this country has gone up by some 66 per cent in one case and 73 per cent in another. I wonder whether he is investigating to see if textile companies have been taking advantage of protective quotas, and whether they have been taking advantage of the reduced value of the Canadian dollar.

Then we have another example in relation to the cost of lumber which has gone up by 80 per cent in the last two years. It now costs about $1,200 more to build a house of 1,800 square feet than it did two years ago, strictly because the input cost of lumber has gone up by 80 per cent.

Let me use the very specific example given by the hon. member for Sault Ste. Marie (Mr. Symes). The price of one board foot of two by four a year ago was 17 cents. The price today is six cents more, or 23 cents, an increase of roughly one third. At the same time we see that profits in the pulp and paper industry have increased almost without exception, in many cases to very high levels. At the same time this government has handed over $235 million to the pulp and paper companies.

If we are going to talk about restraint in this country we should make sure it is not practised on the backs of the ordinary citizens, the farmers, the workers, the old and the young. Restraint should be practised on the backs of those who can best carry the burden, the wealthy and the large multinational companies in this country.

I have given the minister a number of specific examples today of things that are of real concern to the average citizen right across this country. I do not want him to get up and say, "I am looking into this", or "I have looked into that". I want him to get up and tell us why he does not go to the cabinet and say, "Look, I need the power to change this National Commission on Inflation from a pussycat to a tiger. What we need in this country is a tough watchdog that can intervene and roll back prices in the market place. We need an agency with that power." I am sure the cabinet would not give the power to him because this minister has no clout.

The main function of this minister is to fulfil a public relations function for the government, making the Canadian

people believe that something is being done by the government in terms of controlling prices in this country. The government is not doing that. As much as I like the minister personally, and I have known him for years, this is one minister who should be fired by the Prime Minister (Mr. Trudeau) for incompetency.

In the two minutes I have left I should like to summarize for the minister. I hope he will respond in a serious way and not in the superficial, cosmetic way he has responded in the past. First of all I would like to see the government bring in a fair prices commission to act as a tough watchdog, or a little economic "hit" team with the power to hold back price increases while they are being investigated, to roll back price increases that are unwarranted, and with the power to freeze and control prices on a selective basis for a specific period of time.

Secondly, I want the minister to tell us why the government has ended subsidies on fluid milk, skim milk, bread and flour, those basic nutritious foods needed by each and every one of us, while at the same time it has offered millions of dollars to wealthy hockey team owners for the construction of rinks in many cities of this country, and another $200 million to the pulp and paper industry across the land.

Thirdly, I wonder if this toothless tiger, the minister from Montreal, can tell us why the government does not reduce the bank rate by at least 1 per cent in order to stimulate the economy, reduce the cost of house building and the cost of consumer and farm loans. Can he forcefully tell us whether the government is considering rescinding the $2 increase in the price of oil, that is, the $1 due July 1, 1979, and the second $1 on January 1, 1980?

Finally, will the minister tell us whether the government is going to toughen up the regulatory agencies in this country, like the CTC, in order that they can have some effective control of freight rates, telephone rates and other rates that consumers have to pay? Those are five specific things we believe the government can do. To supplement that, I have given him another ten or 12 specific items that could be referred to—

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

Some hon. Members: Agreed.

Some hon. Members: No.

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, I want to assure you and, through you, the people of this country, that the government is extremely concerned about increasing prices, and places a high priority on finding solutions both in the short and long-term.

I should like to make clear, however, that the problem is one principally caused by rising food prices. If one looks at the recent consumer price index one will see that the large increase month over month was not caused by non-food items but, rather, by food items. They in turn are principally affected by the beef cycle and the cost of imported food.

What has this government done about that, and what more can be done? I want to make clear that there are no magic solutions to reduce prices dramatically but that with the right programs some price increases can be moderated and others can be stabilized.

Let me give some of the measures that have been introduced by this government to combat inflation. I will list them first and give the details later. From 1975 to 1978 we had the Anti-Inflation Board which did have the power to roll back and control prices, wages and profits. This was followed by the monitoring agency CSIP, the Centre for the Study of Inflation and Productivity, followed by the National Commission on Inflation.

Last year the Minister of Finance (Mr. Chrétien) announced two sales tax cuts, one in the spring and one in November, which again had a serious influence on curtailing the rate of inflation. The Minister of National Health and Welfare (Miss Bégin) toward the end of last year announced an increase in the guaranteed income supplement and the family tax credit program to help Canadians of medium and lower incomes.

Another major initiative taken by the government to deal with inflation is our program to curtail our expenses and size dramatically, and I will say a bit more about that later. We also had measures to increase production and supply quotas both in the farm and fisheries areas.

● (1550)

Last week the Minister of Finance announced a reduction in import tariffs on food. I notice in today's *Citizen* on the front page a headline which states that 39 cent lettuce is on the way. It starts by saying:

> After three months of paying budget-breaking lettuce prices, consumers should get a dramatic break this week as most stores lower prices nearly 50 per cent.

Mr. Rodriguez: Loss leaders.

Mr. Allmand: This is a general lowering of lettuce prices whereas loss leaders are usually found in one store or another. In addition to these reduced import tariffs, as was mentioned earlier in the day by the Minister of Energy, Mines and Resources (Mr. Gillespie) we have had a program to help consumers of oil in the eastern part of Canada with subsidies which have kept prices down for the last few years.

As I pointed out, the AIB was in place for three years. It ended its mandate on December 31, 1978, and it had powers to control prices, wages and profits. While the NDP voted against that measure in 1975, they are now proposing controls with roll-back powers. It is difficult to understand, and they have not explained that position today.

They did the same thing last week when they put forward their other motion with respect to a commission to control and roll back prices. I will ask them now, as I did last week, how

can they suggest powers to roll back prices without also granting powers to roll back costs, including wages which are very dear to them? If costs are the cause of the increased price then certainly we cannot control the price without controlling the costs, but the NDP have not explained this or said how they can do one without the other.

Mr. Knowles (Winnipeg North Centre): You did it.

Mr. Allmand: I was listening, and the NDP failed to explain that question on occasion after occasion. Again the New Democratic Party is continually stating and, I would submit, using the big lie technique, that while the AIB controlled wages they did not control prices or profits.

Mr. Rae: That is what the conference board said.

Mr. Allmand: This statement, Mr. Speaker, is absolutely false, and I would like to refer to a few examples. Both wages and prices were controlled by the AIB between the three-year period from October, 1975, to December, 1978. With respect to prices, in 1975 at the beginning of the program the CP Index, excluding food, rose 10.1 per cent.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Why exclude food?

Mr. Allmand: I will deal with food later. But excluding food, it rose 10.1 per cent. In January, 1979, at the end of the program the comparable figure was 6 per cent. Profit margins of industrial corporations declined from 7.19 per cent at the beginning of the program to 5.2 per cent in the first half of 1978, the last year of the program. By October, 1978, over $264 million in excess corporate revenue had been returned to consumers as a result of action by the AIB. As of August, 1978, the AIB received 377 requests for dividend increases. Of these, 117 cases representing $407 million were refused or amended.

With respect to wages during the period of controls, real disposable income per person employed in Canada grew by 7 per cent in the last three years. In the United States in a comparable period, real disposable income declined 2 per cent. The average weekly wage for Canadian workers rose from $203.32 in 1975 to over $272 in 1978, an increase of 33 per cent.

Mr. Rae: How much has food gone up since 1975?

Mr. Allmand: On the whole, Mr. Speaker, the anti-inflation program of the government was successful. It certainly moderated the rate of inflation, and we will never know what the rate would have been without the AIB. We do know that our record over the last five years has been much better than most countries. In any case, the AIB controls are now terminated. All sectors of the Canadian economy agreed that this should be done, including the then NDP government of Saskatchewan and the former NDP government of Manitoba.

Following our discussions with the provinces, we found no support for a post-control monitoring body with investigative powers, although the Minister of Finance proposed such a body. Consequently, following the consensus of the provincial ministers at the conference, we established the Centre for the Study of Inflation and Productivity at the beginning of 1979. While CSIP did some worth-while work and published some informative reports, it did not have the power to compel information. Consequently, last week the government established the National Commission on Inflation which will have powers under the Inquiries Act and will be able to monitor price movement properly and other phenomena which cause inflation.

The commission will not only have a deterrent effect on unconscionable price increases, but it can highlight them publicly and recommend action to the federal and provincial governments.

Mr. Douglas (Nanaimo-Cowichan-The Islands): A lot of good that will do.

Mr. Allmand: Earlier I referred to two tax cuts initiated by the Minister of Finance last year. The first, which related to the provincial sales tax, certainly had a deflationary effect and was considered a success. The second, which is still in force, relates to the federal excise tax and applies to several consumer products. While the inventory subject to this tax cut only came on the market in January, the most recent consumer price index indicates that this tax cut is being passed on. As I said at the beginning of my remarks, the non-food part of the CPI for last month increased moderately, and some products, such as furniture and clothing, actually declined. The federal sales tax cut will continue to have its impact on the economy.

I also mentioned the increases in the Guaranteed Income Supplement and the new family tax credit. Both will provide additional purchasing power to lower and middle income families and retired Canadians to help them deal with increased prices. This is in addition to the government indexing program for pensions and the guaranteed income supplement.

I also want to repeat again that the government has programs to adjust supply and production in food products when increasing prices are due to short supply. In response to my honourable colleague's remarks with respect to my statements on supply before Christmas and after Christmas, I would refer him to bulletins put out by the marketing boards and by the Department of Agriculture which confirm the statements I made in the House at that time.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Were they wrong?

Mr. Allmand: No, they confirmed that I was correct. The government recently announced new guidelines for the National Farm Products Marketing Council, which is the governing body for our marketing boards. These new guidelines, among other things, directed the council to consider not only the producers' interests but also the consumers' interests. At the same time we appointed a new chairman who was experienced in both farming and the consumer movement and who has the

confidence of both groups. Many of our marketing boards had already announced increased production quotas for 1979, but it is yet too early to know their effect and whether they are adequate. In any case, the boards and the council are continually reviewing these matters and can adjust their production quotas when necessary.

I had mentioned the government's program to control inflation by controlling its own size and spending. Hon. members will recall that a year or two ago the opposition was alleging that the cause of inflation was the size of the government's budget and the size of the government's deficit. As the House now knows, for the last few years the government has had a program to keep spending increases below increases in the gross national product and to curtail public employee increases to less than 1 per cent. In the month of August we announced an additional program to curtail our expenses and to keep our government program within reasonable size. Last week the Minister of Finance announced certain cuts in import tariffs on selected foods. A little earlier I referred to an article in today's *Citizen* which confirms that prices are already being reduced for many of these products. This action is an important measure to help moderate inflation for Canadians.

● (1600)

I get a kick out of the NDP's continual allegation that I am "looking into things". On two or three different occasions during his speech the hon. member for Yorkton-Melville (Mr. Nystrom) asked me if I would look into this, look into that. Because I am a very co-operative minister I always like to oblige him, and when he asks me to look into something, of course I do so. Today I have outlined a large number of measures which are measures for action.

As I said earlier in my remarks, the causes of the recent and spectacular price increases in food are principally due to the beef cycle and imported foods. As hon. members know, many of our beef producers suffered low prices a couple of years ago with the result that they sold off their herds. We now have very low supplies of beef with a continuing high demand and resultant high prices. It takes about three years to reproduce a herd of beef and we cannot correct that problem immediately. It will take time, and confidence in the beef producing areas of the country.

With respect to imported foods, it is true they cost more because our dollar declined in comparison to the American dollar. During the winter months, if we want fresh fruit and vegetables we must import them from the United States and other countries. Consequently we must pay the extra 17 or 18 cents because of the difference in the dollar. People may ask why we do not do something about this. I suppose we could have pegged our currency and stored it in many ways but that would cost taxpayers a lot of money and would have repercussions in many other areas of the economy.

It is easy to observe that while the lower dollar has had some serious effects on the price of imported food products it has also allowed us to sell a great deal of our production abroad. It has helped us with foreign trade deficits and is helping to produce the many jobs that were needed in this country.

If the allegation is made—and it has been made—that the recent price increases are due to profiteering or gouging by many of the companies in the food industries, there is just no evidence to support that at this time. There have been inquiries at all levels of the food industry and none have proved that any one level was ripping off, gouging, or profiteering at the expense of another.

The recent AIB report on profit margins in the food industry pointed out that while profits were increasing at the end of 1978, they were not out of line with historical norms. According to this report, over the first nine months of 1978 profit margins in Canada's food processing and food retailing industries varied little from the historical norms. For food processors the profit margin as a percentage of sales has declined significantly since 1973. For the first nine months of 1978 it was 3.3 per cent, equal to the 1974 low. Profit margins of food wholesalers for the first nine months of 1978 average 1.3 per cent compared to 1.21 per cent in the corresponding period of 1977 and the 1971-77 average of 1.67 per cent.

Mr. Lalonde: These are facts.

Mr. Nystrom: What about return on investment?

Mr. Allmand: If we look at the statistics of return on investment we see there has been no spectacular increase, but there have been increases. Generally, the increases in profits in business which have occurred during the last year are a sign that the economy is improving. I think that is a good thing for this country.

A year or so ago members of the opposition were criticizing the government because business was bad. Now that we see reports of increased profits they seem to be criticizing that as well. I say increased profits are a sign that business is on the way up. That will mean more money for government through taxes, and thus more money for social programs and other things.

Of course there will always be bad actors in the business community, and individual companies that will try to rig the market and fix prices. We have had recent examples of this. All hon. members are aware of the action my department took against the sugar companies. We lost that in the trial court but won a record judgment in the Quebec Court of Appeal which condemned those companies for fixing prices, and levied a record fine of $2.5 million.

We recently had a judgment of the court against one of the leading jeans manufacturers when they tried to practise resale price maintenance. They would only distribute jeans to retail concerns and outlets if they sold them at a fixed price, which was against the law. A large judgment was made against that company.

While there has not been profiteering or gouging generally, there have been examples, and there will continue to be examples, of companies that act improperly in the market place.

What else has the government done to help consumers with high prices?

Mr. McGrath: Change the government.

Mr. Allmand: That is the only solution the Conservative party has. Last week when the NDP put their motion before the House to deal with inflation and high prices, the spokesmen for the Conservative party had only one suggestion—change the government. They did not say what their solutions would be. As a matter of fact they have criticized the solutions we have put forward.

One thing that can be done to help consumers cope with high prices is to give them good information about food, and especially lower priced foods that are nutritious. Each week we issue information called "Food Backgrounders" which are sent to weekly and daily newspapers. These are used in the "Shop Wisely" and "Best Buy" columns, which are helpful in picking out the best buys from week to week. Where there is price competition in the food retail business it is helpful to have information on where the best buys are available. Despite the high price of beef, for example, pork and poultry have been good buys in eastern Canada in recent weeks. These newspaper columns using our background information encourage Canadians to look at these foods as good alternative sources of protein.

I recently congratulated a group of women in Ontario who set up a program called "Women Against Rising Prices." They are doing what we suggest—being selective in their shopping, refusing to buy products that are too high in price, and they are shopping wisely. We intend to continue with our programs and upgrade them to provide useful information.

Two other programs that can help save money for consumers, which we have supported strongly—as a matter of fact I made a speech to businessmen suggesting these programs before they came into operation—are the "no-name" foods and "no frills" stores. When you compare the price of a shopping basket of "no name" food products purchased in a "no fills" store, you will see considerable savings.

Another program of a similar nature that has been operating for the last two years, and which will operate again this year, is the "Food Talk" program. Last year we sent 40 or 50 teams into lower income areas, immigration areas, native peoples areas, and different areas which require information, to show them how to make the best buys in the supermarket. This helped them considerably to improve their food purchasing and to deal with their food budgets.

When the NDP presented their motion on this subject last week I stated in my speech that one of the measures I hoped to bring forward soon is the competition reform bill. When I said that, I did not intend it to be a solution to the short-term problem of rising prices in February and March, 1979. It should be obvious to the many commentators and critics that reform in competition laws could only help in the long run. None the less, it is an important reform. As I said last week, if you really want fair prices in the marketplace, your best guarantee is an open and competitive marketplace. I cannot understand how many people misunderstood my putting that forward as a short-term solution. That was never my intention.

● (1610)

I should also like to remind the House that even under the present law the competition bureau in my department has been taking many actions and has been successful in many prosecutions. I mentioned a moment ago our actions with regard to the sugar industry and the jeans and clothing industry. For example, since the beginning of 1978 the department has had 19 prosecutions covering conspiracy, merger and monopoly, and 112 convictions in the areas of deceptive trade practices and resale price maintenance. We have also had prosecutions in many other areas of fraud and price fixing, the weights and measures program, the electricity and gas program, and so on.

I still intend to come forward with the competition reform bill. I hope it will soon be ready for the House. However, it will be a measure to deal with fair prices in the long run and not in the short run.

My colleague, the Minister of Agriculture (Mr. Whelan), recently released some interesting information with regard to food and food prices. In a very useful little booklet that was published, he pointed out that from 1971 to 1977 the average hourly earnings in manufacturing in Canada increased 94.5 per cent. Over the same period the price of food increased 80.1 per cent. On average, one hour of work in manufacturing would buy approximately 8 per cent more food in 1977 than in 1971.

Other interesting information that the Minister of Agriculture has provided is that in 1949 it was necessary to work 20 hours to feed a family of four for one week. In 1959, one had to work 14 hours to feed a family that size. In 1977 one only had to work eight hours to buy the same amount of food. Even though food prices were higher in 1977, it took less than half as long in 1979 to buy food for a family of four for one week.

The Minister of Agriculture is extremely proud of this government's record in helping farmers become more productive, and increasing supply in this country. I support him 100 per cent on that. Critics in the opposition pretend there is some difference of opinion between the Minister of Agriculture, the Minister of Fisheries, and myself. They are completely wrong. We believe that in the long run the best guarantee of a good source of food is a sound and satisfied production community, whether it be in farming or in fisheries.

I wish to point out a few other matters that should be brought to the attention of Canadians when talking about high food prices. When we go into a supermarket and look at the full and long shelves of products, we note that many of the shelves are not filled with food at all but with cigarettes, tobacco products, and pet food.

I understand that the pet food business in this country, as well as the cigarette and alcohol industries, is a billion dollar industry. These industries are certainly not declining. It is hard to understand criticism from the opposition about how poor Canadians are when we continue to increase our spending for

pet food, alcohol, restaurants, cosmetics, entertainment and so on.

Again referring to some of the remarks of my good colleague, the Minister of Agriculture, I note that he is very quick to point out the great waste of food in this country, the amount of food thrown out each day from our restaurants, homes, and banquets. When we look at these kinds of things we find some of the criticism by the opposition a bit hypocritical.

The NDP motion before us today is just another political gimmick. As I said before, when they had a chance to vote for price controls and roll-back powers, they criticized them severely and voted against them. This is not a serious measure they have put before us, but merely a hypocritical con game. As for the Conservatives, their only solution to the cost of food and consumer goods is to have an election. They have no policy at all.

In conclusion, I assure the House and the country that the government will take every reasonable step to combat inflation. However, we have no intention of bringing back controls or introducing measures which might bring short-term relief but result in more serious damage to the economy in other areas, especially with regard to employment and production. Now that those things are improving considerably, we want to see that improvement continue.

Mr. Rob Parker (Eglinton): Mr. Speaker, the motion of the New Democratic Party quite properly addresses attention to an increasing concern on the part of Canadians about increases in the cost of living. As the hon. member who moved the motion properly noted, one of those components is the increase in the cost of food.

It was fascinating to listen to the minister criticize the Conservatives who want an election, and to describe his own program. He started off by saying he was concerned. That is a detailed program of the government—they are concerned when something is wrong. He said that another part of their program was that they wanted more information. They have had ten years of more and more information. There has been no action, but all kinds of information. The government has just appointed a new agency which will provide more information.

The minister said that another part of his program was to encourage consumers to shop wisely. I point out to him that shopping wisely is not a solution to increases in the cost of living. It is a defence by people whose budgets are being wasted away by soaring prices. It is not a government program. It is a necessary defence by consumers across Canada.

The minister said part of his program was to welcome and encourage no name and no frills stores. Finally he mentioned "Food Talk". That is a program that completely describes not only the program but the record of this government for the past ten years. All they have done is talk about it. We have food talk from the minister, "Mr. Alltalk."

The minister mentioned 112 prosecutions. He talked about prosecutions in the area of weights and measures. A few weeks ago I raised the question of prosecutions over delivery meters on home oil heating trucks. The minister still has not explained why out of all those 500 meters that were rejected so totally by his department that the people owning those trucks were put out of business until the meters were corrected, that out of that total they found during an eight-month investigation, they prosecuted exactly five people. The fines for those who were prosecuted were enormous. The biggest one was $600. The minister has been avoiding the issue. Now he seems to be avoiding the debate by leaving the chamber. It is at least consistent. A driver or operator of a home heating oil truck being fined $600 is like getting a licence. He could steal $600 by noon without half trying.

The specific proposal that the New Democratic Party has made in this motion, as is not untypical of the NDP, deals only with the symptoms. It proposes a band aid to deal with an amputation. While the consumers of Canada are bleeding to death the NDP has a band-aid to propose. Nevertheless, they do identify a real concern on the part of Canadians—soaring prices. The talk we have heard from the minister this afternoon is typical of a long line of talk and empty promises, and non-performance which has persisted ever since this government took office. Canadians were promised a food strategy in the speech from the Throne of the 1974. That promise has not been kept.

• (1620)

The Prime Minister (Mr. Trudeau) was going to "wrestle inflation to the ground". That was in 1974. That promise has not been kept. That was four years after he had told us inflation no longer exists. First, it no longer existed, then he was going to wrestle it to the ground and presumably, now, Canadians are expected to live with it.

An hon. Member: He is wrestling the economy to the ground.

Mr. Parker: There have been five government bodies established since 1969 to study inflation. In 1969 there was the Prices and Incomes Commission. There was a rate of inflation of 4.6 per cent in that year. In 1973 along came the Food Prices Review Board—inflation was running at 7½ per cent. In 1975, the Anti-Inflation Board was set up. Inflation was 10.8 per cent. In 1978, three years later, we were presented with the Centre for the Study of Inflation and Productivity. Inflation was running at 9 per cent. This year we have the National Commission on Inflation. The forecast range of inflation this year is from 7½ per cent to 9 per cent. We have the NCI and before that we had the CSIP, the AIB, the FPRB and the PIC. And I suggest that we should go to the POLLS so that we could throw this government OUT.

Some hon. Members: Hear, hear!

Mr. Parker: It is clear that monitoring inflation has done nothing to moderate it. Indeed, the cost of administering these bodies may actually have added to the problem. For example, the AIB which was supposed to have 200 employees ended up with a staff of more than 600. The government spent more

than $70 million dollars on running that agency in the three years of its lifespan.

There were a couple of important paragraphs in the Speech from the Throne of February 1974:

> The government is developing a policy on food based on the following objectives: an adequate and dependable supply of quality food for a growing population in Canada enjoying a rising standard of living: reasonable food prices for the consumer, in not requiring an undue proportion of income for Canadians to secure a sufficient and balanced diet, and for the producer in providing a return adequate to encourage production of food items which can be produced economically and efficiently in Canada.

Since that promise was made, food prices have risen by nearly 60 per cent and they are expected to rise a further 20 per cent this year—that is the figure the minister himself has used. Instead of devising a food strategy, the government has held a food conference to give the appearance of doing something. Over the last six years since 1973, while inflation rates have continued between a minimum of 7½ per cent and a maximum of almost 11 per cent, in only one of those years was the rate of increase in the food prices below the general increase. In all the other five years increases in food prices led increases in the cost of living. Food prices in Canada have more than doubled since 1971. They will have tripled by 1981.

If these general figures are horrifying, selected figures published by Statistics Canada about individual items are even worse. In the last two years beef has gone up by 82 per cent, that is, between January of 1977 and January of this year. Ground beef has gone up by 116 per cent; powdered skim milk by 76 per cent; grapefruit by 58 per cent; oranges by 96 per cent; canned orange juice by 55 per cent; celery by 57 per cent; lettuce by 161 per cent; tomatoes by 55 per cent. The list is endless. The price increases are horrifying. And what do we get from the government? More rhetoric, more agencies to study the problem, more information.

Well, Mr. Speaker, the information does not have to come from government agencies; Canadians do not need another agency to enable them to find out what is happening to food prices. Those prices are published in the newspaper every single week. Every supermarket in the country takes advertisements like the one I hold in my hand to tell people what is happening to prices. And here is the bad news: instant coffee $4.88 a jar, iceberg lettuce, on special, 49 cents a head. Every newspaper tells the same story. That one is from Ottawa; this one is from Montreal. Spaghetti and macaroni, two 500 grams boxes $1.00; bananas, 4 pounds for a dollar; bread, 3 loaves for $1.29; sirloin tip roast, $2.88 a pound. Those prices are from the Montreal paper.

Here is another page. In this case the supermarket has the gall to head the advertisement "low prices". These are loss leaders, by the way, but even so the prices are horrifying; tomatoes, two pounds for $1, lettuce, 2 heads for a $1. Over here we read: bacon, $1.69, round steak, $2.58 a pound, tomato juice, 59 cents for a 48 oz. fluid tin. But the worst thing about this advertisement is that it shows right there just what those prices were last week before certain goods became "specials" and what they will be next week after these special offers are over. That tin of tomato juice was, and will be, 76 cents instead of 59 cents; the steak was $3.08 not $2.58, the bacon was, and will be, $2.08, not $1.69; the lettuce was, and will be, 99 cents a head, not 50 cents a piece. Tomatoes were, and will be, $1.49 for two pounds instead of $1.

And here is the solution, Mr. Speaker; the minister has been quoted as saying Canadians may have to buy more nutritious and less expensive alternatives. He talked about some of the items other than food which are available on the shelves of the supermarkets. Well, here are some of them, here is what Canadians who find that the price of people-food is too high can buy: cat food is only $1 for five tins, dog food is two tins for 89 cents. Now if you stop drinking milk, for instance, if you stop wasting money on that and drink water and eat dog food, you can cut yow food bill way down.

The minister talks about carping criticisms from this side of the House. He cited an article in the newspaper—it was the only one he mentioned—praising what he had done. I should like to read a selection of clippings from newspapers across the country published not only in the last couple of weeks but over the last couple of years and dealing with this department and this problem. The Ottawa *Citizen*, for example, calls the NCI a "cynical election ploy". The Toronto *Sun* calls it a "pre-election gimmick". It says the whole concept reeks with cynicism. Again, from the Toronto *Sun*:

> The finance minister said as long as some companies would not co-operate we had to assure the public we could find out what was going on. In other words, the minister does not know what is going on.

The Ottawa *Journal* called it "a mitigated disaster", whatever that means. There was John Gray writing in the Ottawa *Journal*—"Let Commission No. 5 Wrestle Inflation to the Ground". He went on: "The Liberals have latched on to the obvious; it is easier to monitor inflation that try to control it". Don McGillivray, writing in the Montreal *Gazette*, said the new selection body is just an election ploy. In his opinion the NCI has as much hope of stopping inflation "as a walnut has of stopping a steam roller." George Bain in a column headed "The Eleven Years War on Prices" had this to say:

> There are married couples buying groceries today who had not reached puberty when this government first started talking about new competition legislation six consumer and corporate affairs ministers ago.

● (1630)

The following appears in *The Globe and Mail*:

> Warren Allmand's rhetorical rage at rising prices is as pretty a piece of political hypocrisy as has come out of the Liberal government so far this election campaign.

The Montreal *Star* said, and I quote:

> There is only one thing certain about Warren Allmand's proposed three-pronged attack on rising prices—it won't do anything to stop prices from rising.

The Winnipeg *Free Press* said:

> —the inflation which has been primarily the cause of depleted financial reserves originated almost exclusively with government.

Talking about the serpent of inflation, the Hamilton *Spectator* said:

> —the commission was empowered to say "tsk, tsk" unto the people and shame the serpent.

Price Increases

The *Globe and Mail* said:

Canada's consumer price index advanced by 9 per cent last year—a bigger increase than in most other industrialized countries.

It is not just the current press which is critical. Here is something from the middle of last year in the *Financial Post:*

The most striking feature of the Economic Council of Canada's inflation-analysis group is the care that has gone into ensuring its role and impact will be limited.

On March 1, 1974, the Montreal *Star* printed the following:

Prime Minister Trudeau said yesterday the government is considering measures to help protect savings from erosion by inflation.

The criticism does not come just from the press and this side of the House. Some of it comes from the other side of the House. A member sitting on the Liberal side told anyone outside the House who would listen that he felt the government was jeopardizing its election prospects by failing to act decisively to provide clear protection against rising prices. The member to whom I refer is the hon. member for Windsor West (Mr. Gray), a former member of the cabinet. Although he objects to rising prices, what he really objects to with regard to government inaction is not that it does not do anything to help the consumer but that it is jeopardizing the government's re-election chances. Here are some headlines about the minister himself. In 1979: "Allmand Talks Tough on Inflation". "Talks" is the operative word. In 1978 in the *Star Phoenix*: "Whelan, Allmand Disagree Over Higher Meat Imports".

The Minister of Agriculture (Mr. Whelan) is quoted as saying:

And don't blame us if the price tag is further inflated because of currency conditions.

That is the same minister who removed the subsidy on powdered milk and drove the price up 50 per cent and sales down by 50 per cent.

Here is another headline from last year: "Allmand Orders Investigation". "Allmand May Probe High Business Profits". "Allmand's Strategy on Rising Prices Includes a Stronger Inflation Agency". "Allmand Aims to Curb Food Prices". "Consumer in the Boardroom". "Allmand Promises Close Watch". "Improve Machine Food". "Consumer Minister Has Been Consumed". The minister deserves an award for understatements for saying, "I'm not an expert in agricultural economics."

We have had many agencies and much talk. We have had eight ministers of consumer and corporate affairs since this government took power almost 11 years ago. Four of those ministers were in office one year or less, seven of them for under two years. By all counts the present minister is the least competent. He is the one who most often claims that he is misquoted, misunderstood or misinterpreted. He did it again this afternoon in his speech. While he refuses to accept responsibility, he points at processors and distributors. Are they to blame? Perhaps just a few of them. The minister points at producers. Are they to blame? Well, maybe some, but certainly not the bulk of them. He points at consumers. Are they to blame for rising prices? Have they been shopping unwisely? Have they been eating too much? When the minister points a finger at someone else, he should realize that three fingers are pointing at himself.

This government has done nothing for the past ten years to deal with rising costs of living and, in particular, food prices. The government has made noise. A hen makes a noise when she lays an egg. This government has laid and egg, but it is cackling as if it laid an astroid. We have had five agencies, eight ministers, hundreds of promises and thousand of occasions on which to act, but we have had zero performance. We have had dithering indecisiveness. This government and this minister have been as organized in their approach to the problem as a kitten with diarrhoea. Just as prices are soaring again, this government, which has consistently postponed an election which would be a real test of its record and its so-called policies, gives us more rhetoric, more promises, and another agency. The only area in which it is not consistent is that the Prime Minister has not appointed another new Minister of Consumer and Corporate Affairs. It is about time. This one has been minister for a year and a half.

The government also has the gall to tell the Canadian people there is a light at the end of the tunnel. We have news for the government. The light it sees is a train. A national food policy is overdue. If this government refuses to grasp the nettle and to work on a co-ordinated national food policy which would mean fair prices for consumers, an equitable and efficient distribution system and adequate returns for producers, then let it resign and go to the people, and they will elect a government which can do that. There are five government departments and agencies which presumably have some responsibility in this area, the Canadian Wheat Board, The Department of Industry, Trade and Commerce, the Department of Agriculture, the Department of Fisheries and the Environment, the Department of National Health and Welfare and others. One or two of the ministers responsible drifted in and out of the House earlier in the debate, but none of them are here at the present time. If they had any real concern or any real policies, surely they would be here to respond in person to this motion presented by the New Democratic Party.

In 1972 there was an all-party committee of this House which reported a year later recommending a ten-year national food strategy. The Food Prices Review Board recommended a food strategy. The Consumers Association of Canada has recommended a food strategy, and this party, as well as our companions to my left, have recommended a food strategy. We are past the point where the problem needs looking into. We are past the point of talk. I challenge the government to do one of two things, either produce concrete proposals which it has the guts to put into effect now, or resign and let the people of Canada elect a government which will do those things.

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, I am pleased to take part in the debate on the motion put forth by my colleague the hon. member for Yorkton-Melville (Mr. Nystrom). It is quite obvious that for the last ten years inflation has become a real psychosis and remains a major

hurdle in our attempts to reach our collective and individual goals. In 1975, while we were debating Bill C-73 on anti-inflation, I stated that the austerity measures contemplated by the government did not really go to the heart of the problem. I also added that the efforts that were to be made over the next three years would not solve the problem. The government is now clutching at straws as far as inflation, unemployment and the economy in general are concerned. It is almost recognizing its inability to overcome fantastic price increases such as we have witnessed.

When the prices and wages control program was proposed, the aim of the Anti-Inflation Board was to bring inflation down to 6 per cent over a two-year period. Yet, our rate of inflation remains between 8 and 9 per cent.

This situation is as unacceptable as our unemployment rate and the present economic situation. Mr. Speaker, recently an Ottawa newspaper reported these words of the right hon. Prime Minister (Mr. Trudeau). In 1970, the Prime Minister said that inflation was no longer a problem in Canada. Some time later, in 1974, he stated: We are going to wrestle inflation to the ground.

Mr. Speaker, unfortunately it is inflation which has wrestled our bank accounts to the ground and robbed the savings of Canadian taxpayers. Since the Liberal government came to power in 1968, inflation has taken fantastic proportions. To contain inflation, the government has offered us a multitude of great promises and a series of five boards which were all supposed to defeat inflation once and for all.

Mr. Speaker, it should be noted that the measures taken up to now, that is, government expenditure restrictions, wages controls and the review of consumer price increases, are only measures. It is about time that someone in the government show some leadership and not be afraid to take the action required.

Food price increases affect a large proportion of family budgets. For many Canadian families, housing and food account for up to 70 per cent of total expenses. The Canadian Senate established the poverty line according to this criterion. Only the families whose income is lower than the average family wages are considered poor. In 1977, 882,000 single people and 1,288,000 families of two or more people were placed in this category. This is an unfortunate situation, Mr. Speaker.

A multitude of organizations have been established to remedy to this situation, including control boards, study commissions, review boards, the Centre for the Study of Inflation and Productivity, and the latest, the National Commission on Inflation announced on March 2 by the Minister of Finance (Mr. Chrétien). What can we expect from this new commission? Certainly not fairer prices! Will it do more than all the others before it? I would like to say yes, but I would be deceiving myself. This commission will only be another smokescreen to hide the ineptitude and indecision of the government. It will be responsible for supervising changes in prices like all its predecessors, but with a little something added. I refer to the press release of March 2 published by the minister for the duties of this commission. In addition to supervising price changes, the inflation commission will inform the public about the inflationary process.

I guess Canadians need to learn or to learn over again that inflation has been gnawing at them for nearly 10, 15 years. I think every good Canadian is aware of that cancer that keeps gnawing at him. On the other hand, it is really interesting to know that Canadians are not informed about inflation. If they do not know yet what the inflation which is eroding every pay cheque is all about, the commission is going to show them. We are really lucky. We are faced with excessive inflation particularly in food prices but now we will know why our cheque is not big enough to meet the daily needs of our families and households. Then the mandate of the commission will be to identify price increases. It will be a very understandable task for a commission on inflation to carry out, and if it considers it appropriate, it will report to the government and its report will undoubtedly go and join all the others somewhere on a shelf until the government decides to disband it and create another one. Mr. Speaker, I took a couple of pokes at the new commission because it seems to me the establishment of these countless commissions on inflation has become a real joke. It creates false expectations every time, and in spite of that, inflation continues unabated.

If it turns out the government cannot come up with a real energy policy to bring inflation down, must one conclude that it gave in to the financial power of banks and big business? It is often said in government quarters that our inflation comes from abroad, that it is an international phenomenon. That may be true but only in part and it is not a valid reason not to do anything. I would like to remind you that industrialized countries like Switzerland and Germany are doing very well at this time. The ever increasing costs of energy and food we have been experiencing will only be aggravated by the fall of the dollar because those products are imported in large quantities. I think the fall of the dollar is due to a lack of confidence in financial and international banking quarters in our economic situation and the total lack of leadership to straighten it out.

The inflation that continues and will continue to affect us is due for a large part to the past mistakes of monetary and fiscal authorities. Unfortunately, the longer the inflation problem lasts, the more complex the contributing factors become. That is why we should not wait any longer to act. We cannot eternally rely on just our simple measures to counter the reduction in purchasing power. To get to the causes of the disease we will need a round table of management, labour and government representatives to draft a plan of action. I believe that procedure would not benefit one group to the detriment of others.

Price Increases

[*English*]

Mr. Frank Maine (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, as the member for parliament for Wellington I am responsible for a constituency that is primarily made up of the city of Guelph, which makes up 85 per cent of that constituency and yet is surrounded by a very rural, agricultural area. There are four townships in the riding which make up the balance, the other 15 per cent of the riding. One hundred per cent of my riding, whether it be the city urban or the rural people, are consumers, but the 15 per cent in the rural townships, which are situated on primarily class one and class two agricultural land, are also largely producers. So I have in my riding both consumers and producers whom I represent, and I try to represent both groups responsibly. I am not a consumer or producer advocate. I like to think of myself as a constituent advocate.

● (1650)

I was born in the United Kingdom and lived there during World War II. As many hon. members will realize and appreciate, during World War II energy, food and many other materials in the United Kingdom were in very short supply. Thus we had to learn to live, or some may say, exist on the essentials of life. Therefore, one can imagine how amazed I was when I came to Canada in 1947 and saw the phenomenal amount of waste in energy and food. It was absolutely extraordinary the temperature at which buildings were kept, with windows open letting all the heat escape. Also, the amount of food left on plates at the end of a meal and the amount thrown into the garbage before reaching the table were extraordinary. It was prime food, food the people in the United Kingdom could not afford during the war.

At very long last we are coming to our senses, certainly in the area of energy. We realize we cannot continue to be wasteful, that energy is much more important in our economy. This was brought primarily to our attention by the OPEC actions of 1973. The message of conservation finally sunk in, and we are seeing tremendous decreases in the rate of energy consumption. The increases of the past have been lowered by a substantial amount, a little over half the rate of increase in the past. The same should happen in the area of food.

The cost of food in Canada is among the cheapest in the world. Even though it is cheaper, there is no excuse to waste it. We should conserve it. It will be a big job educating the public on the value of nutrition. I am pleased the Minister of National Health and Welfare (Miss Bégin) and her department have issued booklets which do an excellent job in the area of nutrition. Also I am glad the University of Guelph in my riding has a department which is very concerned with nutrition. That department is helping to educate the public on the importance of nutrition and good value for their food dollar.

Recently I made a suggestion to the Minister of National Health and Welfare to help in the education process of the general public. My suggestion was to adopt a system somewhat similar to the one brought into being by the Department of Consumer and Corporate Affairs in the area of labelling clothes for washing and drying. All items of wearing apparel have recomendations as to how they can be washed and dried; what temperatures should be used; what detergents and bleaches can be used; and what articles can or cannot withstand.

Keeping in mind the expense involved, perhaps it would be a good idea to implement a similar type of labelling as far as food is concerned. Thus, when a person goes through a supermarket, he or she would see what produce was high in vitamins, protein, carbohydrates and other important ingredients for a nutritionally balanced diet.

Also the situation would be helped if consumers paid more attention to buying Canadian. As well as maintaining nutrition, we could assist in the area of imported inflation where we are bringing goods into the country over which we have no control of the prices and therefore the inflationary tendency they promote. For example, as far as vitamin C is concerned, we do not have to drink orange juice every morning. We grow an awful lot of apples in Canada and make an awful lot of apple juice. There is just as much vitamin C in Canadian apple juice as in orange imported from Florida. Many people enjoy apple juice as much as orange juice. How many people think, every time they drink a glass of orange juice, that they are not buying Canadian and that they could help their costs and the economy by switching to apple juice? How many people drink tea and coffee in Canada, but we produce an awful lot of milk. Today we must advertise milk so that it can compete with all other available drinks in the market place, whether they be soft drinks or alcoholic beverages.

I am glad to see the Department of Agriculture is looking into other areas of imported products which can be displaced by growing them in Canada and therefore cutting down on imported inflation. I was pleased to hear about the experiment of growing peanuts in the agricultural land of southwestern Ontario which previously was used to grow tobacco. That experiment is now reaching the commercial stage. We import $50 million worth of peanuts every year. With the devaluation of the dollar which has taken place in the last few months, the price of our imported peanut butter or our imported peanuts which go into peanut butter has increased by that amount of money. If peanuts are grown in southwestern Ontario, which now is economically viable, Canada would not have that inflationary tendency because of the imported product.

There are other areas in which we are still behaving like fat cats. I am very ashamed that we have to bring into the country 8,000 agricultural workers a year to harvest our crops. We cannot find Canadians who are willing to pick crops at harvest time. The farmers must get their crops off the fields within a very short period of time if they are to reap the nutritional benefits of freshly-ripened crops. We cannot find Canadians to do this job, so we must bring in people from the Caribbean or Mexico do do it. With record high unemployment we bring in approximately 8,000 people from outside the country.

When I was going through my teenage years, I made money every summer. My sole source of income as a student was from going into fields and harvesting agricultural crops. There was no shame in that. It was a good experience. That is the free

enterprise system of work. By taking positive action to replace imports over which we have no control of price increases, we can tackle inflation caused externally. Recently the National Commission on Inflation was brought into being to pinpoint these problems and to separate external inflation from internal causes of inflation. But the consumer is still the key player in this game; he or she has a choice to exercise. He or she does not have to buy a product in the supermarket. Consumer boycott is one of the most effective weapons of the free enterprise system.

There are other choices. We can grow our own food. We can use it while it is fresh during the harvesting season, and we can freeze the balance to use during the rest of the year.

Approximately 40 per cent of the population of Wellington riding is of ethnic origin. A number of my constituents have very large gardens. Quite frequently they grow tomatoes and peppers of varieties foreign to Canada. They use these unique vegetables in the preparation of their national dishes. I am amazed at the size and the frequency of these gardens. I am amazed at the amount of crops grown to supplement their year-round food consumption and not just during the peak season.

Consumers have another choice. If they do not want to grow their own food, they can go out and pick it. Many farmers have systems whereby people can pick their own food. They can use the food when it is fresh during harvest season, or it can be frozen and used during the balance of the year. For example, my family goes out and picks strawberries in June, corn in August, and apples in September or October. We have the produce fresh when it is in season, and freeze it for use during the rest of the year. Techniques are readily available. If a person does not have such information available, he or she can obtain it from the Department of Agriculture. That department produces booklets containing helpful advice on freezing produce.

There are various manners in which consumers can help in fighting the battle of inflation. The last thing we need is another layer of government bureaucracy. I would not want to see another group looking into the details in order to find out what should or should not be done. There are too many people interfering in the free enterprise system. We should keep government involvement to an absolute minimum. It would keep the cost of government down and it would give the free enterprise system a chance to work. The free enterprise system will work if we use all the tools available, and that includes consumer choice.

I should like to make a few comments concerning some of the facts dealing with immediate food price increases. Food price increases are expected for the first part of 1979, with price increases declining later in the year to keep 1979 price increases to the 12 per cent-14 per cent range, compared to 12.8 per cent for 1978, 8.4 per cent for 1977, and 2.7 per cent for 1976. The 1979 AIB retail survey for February shows higher retail prices for beef, bread, bakery products, fresh fruit and vegetables. Price increases in these areas can be expected for a few more weeks.

• (1700)

What are the causes for these price increases? Canadians are dependent upon foreign supplies for 35 per cent of all fruit and vegetables they purchase. In the wintertime they are dependent for about 75 per cent of their produce on foreign sources. About one third of all price increases is created by agricultural conditions that are unavoidable, whether they be weather conditions, crop failures or cyclical shortages. About one third of all price increases reflect devaluation of the dollar, reductions in subsidies, or marketing arrangements to ensure supply. These are policies necessary for economic growth, increasing employment, and ensuring the consumer food at reasonable prices.

The cost of food to Canadians is a story of which we can be very proud, indeed. In 1978 a U.S. study showed that 13.8 per cent of disposable income was spent for food in Canada. In most countries people spent at least 20 per cent of their budget on food, with people in some countries spending up to 50 per cent. Are we spending more and more every year in real terms on food? No, Mr. Speaker, we are spending less and less every year in real terms of work for the family food basket. The number of hours work required to buy food for a family of four for one week has gone from 20 hours in 1949 to 14 hours in 1959, to 11 hours in 1969, and to eight hours in 1977.

The percentage of disposable income spent on food at home has gone from 20 per cent in 1949 down to 18 per cent in 1959, to 14.6 per cent in 1969, and in the first three quarters of 1978 it was 12.9 per cent.

An hon. Member: All under Liberal government.

Mr. Maine: Yes, the whole lot, just about.

Have food prices increased too quickly? Let us examine some statistics for the 1968-78 period, the last ten years. Gross national product per capita in current dollars has increased from $3,506 in 1968 to $9,873 in 1978, an increase of 182 per cent. Personal disposable income per capita in current dollars has risen from $2,262 in 1968 to $6,629 in 1978, an increase of 193 per cent. Labour income per person employed has gone from $5,063 in 1968 to $13,236 in 1978, an increase of 161 per cent. However, food, according to the consumer price index, has gone from $92.8 in 1968 to $208 in 1978, an increase of 124 per cent, compared to the 161 per cent, 193 per cent and 182 per cent for the other indicators I have given. Food increases, by any measure, have lagged substantially behind income increases.

What about the recent increases in food prices? Available statistics show that in the first three quarters of 1978 food prices increased 11.3 per cent for food at home, while per capita disposable income increased 23 per cent in the same period. During 1976 and 1977 food price increases were almost the lowest of all price increases in consumer purchases. In the same period the cost of energy increased almost four times.

How does Canada compare internationally? Numerous international food surveys have found Canadian food prices among the world's lowest. For example, a January 3, 1979,

United States department of agriculture survey found that Ottawa stores charged 21 per cent less than Washington stores for a representative 21-item food basket. In the same survey Canada is shown to have the lowest food prices in terms of average hourly industrial wages of any of the 16 national capitals surveyed. The survey reveals that in Ottawa we pay $3.36 per kilogram of boneless chuck roast while in Washington the cost is $4.01, in Paris it is $5.03, and in London it is $4.38. We have similar statistics here in respect of a dozen eggs, a kilogram of butter, a kilogram of bread, and a kilogram of potatoes.

How long do we have to work here as compared to those in these other places in order to purchase the same amount of these articles? Again, for a kilogram of boneless chuck roast in Ottawa we must work 37 minutes whereas in Washington the figure is 33 minutes, in Paris it is one hour and 32 minutes, and in London it is one hour and 39 minutes. The figures for a kilogram of potatoes in the same comparison are: five minutes in Ottawa, six minutes in Washington, six minutes in Paris, and seven minutes in London. For a dozen eggs the work time figures are: eight minutes in Ottawa, seven minutes in Washington, 27 minutes in Paris, and 24 minutes in London. The figures in respect of a kilogram of butter are: 26 minutes in Ottawa, 34 minutes in Washington, one hour and 23 minutes in Paris, and 46 minutes in London. By any international standards one wants to use, and this is from the United States department of agriculture, foreign agriculture figures, we have a very good record.

How are we dealing with food price increases? Although food price increases are largely unavoidable, the Liberal government recognized the disproportionate burden placed on the poor and the aged and has acted to help these groups through the Child Tax Credit Program and increases in the Guaranteed Income Supplement. The Liberal government has also been indexing pensions and other benefits since 1974.

To monitor further the making of excessive profits at the expense of the consumer, the government has recently established the National Commission on Inflation.

Mr. Speaker, that is our record, and I think we can be proud of it.

Mr. John Wise (Elgin): Mr. Speaker, I welcome this motion today although I am not impressed by its content or intent. It is good in theory but simply impossible to implement. It does, however, provide us with an opportunity to discuss the issue and to place the blame for these dramatic price increases where it rightfully belongs. If hon. members on the other side of the House do not agree with me, I am certain the Canadian people will when I indicate that the blame belongs squarely on the shoulders of the present government.

Prices have increased dramatically in respect of most, if not all, goods and services. The reason for these price increases is not unknown. There is nothing mysterious about this, it is obvious. They can be related almost entirely to failures on the part of this government.

[Mr. Maine.]

What are some of these failures that have resulted in these price increases throughout the whole Canadian system? Let me list some of them as follows: this government's continuing failure to manage the Canadian economy with any degree of success or competence; this government's failure to control inflation; this government's failure to do anything about record high interst rates; this government's failure to produce the kinds of programs and policies that will encourage a greater degree of self-sufficiency in domestically produced agricultural commodities; and this government's failure to produce the kinds of programs and policies that would reduce the reliance of the Canadian consumer on foreign food supplies. Those are some of the major ones. This government's failure to develop a national food strategy or a national food policy has to be one of its major failures.

When we consider the record of this government and its lack of appropriate programs and policies, is it any wonder that prices have escalated in the manner in which they have over the past few years? This government is completely incompetent in all areas within its jurisdiction and its responsibility. Its record clearly indicates that short-term, stop-gap measures, tinkering and political posturing will not relieve the problem in respect of rising prices or in respect of increasing food prices.

• (1710)

The latest example occurred on Monday with a tabling of the ways and means motion relating to the tariff changes. This government had the recommendations of the Canadian Horticultural Council, the producers of fruit and vegetables in this country, and the report of the tariff board for five years, since 1974. Now, five years later, and in the dying days of this parliament and of this government, we finally have those tariff changes trotted out by the Minister of Finance (Mr. Chrétien) with great pride and great fanfare, trotted out to be the answer to food price increases and to bring great savings to Canadian consumers.

I say that it is complete nonsense. These savings when applied translate into savings which amount to from one cent to seven cents on each item purchased. There are many examples, some of which were cited earlier today. Let us look at cauliflower which is currently selling at $1.50 a head. It would now sell for about four cents of five cents less. The prime example is orange juice. A 28-ounce can will be reduced from 70 cents to 69 cents, a total saving of one cent. We must remember though that that same can of orange juice increased in price by 250 per cent in a relatively short period under the programs of this government.

These tariff changes are nothing but political posturing and mislead the Canadian consumer into believing that it is a solution to the food price problems. Canadian consumers will soon realize that it is simply another futile attempt on the part of this government to avoid the real culprit which, of course, is the government itself and its actions. These tariff changes provide no significant benefit to those in domestic sectors of the food chain. They provide no assurance to producers that Canadian farmers will be able to remain in business, let alone

grow and expand their production. In fact many of them are left without protection.

These tariff changes provide no real encouragement to the Canadian food processing sector so that they can grow and expand their operations. In fact the Canadian processing industry will be lucky if it can maintain its present status. If government programs do not ensure the growth and development of Canadians and Canadian businesses, whatever they might be, the results are bound to be disastrous.

We have approximately one million people unemployed in Canada today. The cost to Canadians of this unemployed sector is tremendous, particularly in terms of lost potential and lost opportunity. With the right kind of leadership we could employ well over 100,000 more Canadians in our Canadian food system alone. Let me illustrate my comments by referring to a recent study done by the Canadian Fruit and Vegetable Processors Association. In that study they selected 21 fruit and vegetable items, all of which could be grown in Canada. The total imported value amounted to $92.5 million. The total man hours lost by the Canadian production and processing industries was over 13 million man hours, and the total wages lost was recorded at $51.5 million. It was estimated that the cost to Canadians and to the imbalance of trade would be approximately $110 million. It should be noted that these figures were based on the Canadian dollar when it was at or close to par with the U.S. dollar. These figures are far more significant in terms of 85 cent dollars.

Had these 21 fruit and vegetable products been grown, processed and moved through our Canadian food chain, the additional per capita cost to the Canadian consumer would be a grand total of 48 cents a year. Considering the volume of food imports and the 85 cent dollar, this 48 cents annual per capita cost to consumers would be reduced to an even more insignificant figure today.

When one considers these factors, the loss in jobs, wages and productivity, and the cost in terms of unemployment insurance, the 85 cent dollar, the degree of our dependency on imported foods and the cost to the Canadian consumer, one realizes that the total approach to this problem has been fragmented and not in the best interests of the Canadian farmer, food processor or consumer. Clearly, policies of this government have led to an underutilization of Canadian resources, Canadian facilities, and Canadian labour.

Agricultural exports increased by a mere 7 per cent in 1977 figures over 1976 figures. Agricultural imports, however, increased almost twice as much, up by 13.7 per cent from 1976. Our agricultural trade surplus decreased by 15 per cent. Surely the message is clear. If we continue this trend, we continue to travel the road to disaster. We are in need of a comprehensive and well co-ordinated national food policy. There are dozens of policies at all levels of government which affect food production, processing, distribution and consumption. In fact if one wants a good example of non co-operative federalism or non co-ordinated policies, it would be hard to beat the array of legislation and regulations affecting the food system in this country.

I do not believe that it would be an exaggeration to say that there are more than 20 separate federal departments, not to mention the various divisions within those departments, with regulatory authority over some aspect or another of the food system. With this kind of confusion of responsibility, jealous empire guarding remains a major deterrent to the development of a national food policy. It is with regard to this background that I have a fundamental concern, and it is questionable that we can afford to leave the food sector any longer without an over-all direction or framework within which activities and planning of all governments and the private sector can be based. We, as Canadians, have been blessed with a variety and an abundance of highly nutritional food, but our potential remains almost unlimited. However, drastic cost increases place in question the continuation of this long enjoyed or taken for granted fact.

Taken collectively, the various elements of the Canadian food industry constitute a very large portion of our total national economy and, in addition, a significant contribution to our balance of trade. Unfortunately, as a result of the policies of this government in recent years, Canada has a lesser share of the domestic market and a greater dependency on outside sources for food supplies. We see the serious pressures and lost potential that affect most, if not all, members of the food chain, and that would include consumers as well.

Over-all, when we disregard dollar values, agricultural output has seriously declined in absolute terms over recent years. The gap between achievement and potential for agricultural and food production is widening. Statistics reveal that we had the same level of productivity in the period 1972 to 1974 that existed ten years earlier. This slow growth in food production relative to demand has also shown up in a decline of food exports, to which I referred earlier, in volume terms, and an increase in volume of imports.

The old theory, still very much in practice by the government, of consumer savings by price regulations controlled by food imports, just does not bear up under close scrutiny and examination. Mr. Speaker, if it does not bear up now, where would we be if totally dependent on imports and totally at the mercy of outside suppliers of food?

● (1720)

To be successful, Canada's agriculture and food policy must be enconomically based. It should stimulate development and growth in production, processing and marketing. Emphasis on the latter should apply both at home and abroad. Senior levels of government must agree that the object should be to maximize the development of agriculture and food industries, thus strengthening the whole Canadian economy. It must ensure that not only fair and equitable returns are secured for the primary producers but also to all sectors of the total food chain. It must ensure as well a safe and adequate supply of nutritional food for Canadian consumers at acceptable prices. Mr. Speaker, this goal cannot be achieved by the kinds and types of programs pursued by this government.

The confusion and conflicts within this government have served no useful purpose whatsoever. This government has pitted producers against consumers and vice versa. It has polarized these two sectors of our society. It has prompted and promoted distrust among Canadians. Producers need consumers; it is they who purchase the produce. Consumers need producers; it is they who provide the required food and food products. We must narrow the gap and promote a better understanding between producers and consumers. We must work in concert, not in conflict with these two sectors of our society. I am confident that producers, processors and consumers will accept their responsibilities and rise to the challenges that face them.

What is needed is a government with the will, a government with the desire and ability to manage our economy, to control inflation, to lower the rate of unemployment, to encourage a greater degree of self-sufficiency in the agricultural and food industries, and to reduce dependency on foreign food supplies.

Canadians know that the major culprit in the whole food price issue is the government. "You can fool some of the people some of the time, but you cannot fool all of the people all of the time." Canadians are not going to be fooled any longer. This government will get that message, hopefully in the not too distant future when someone over there shows some leadership and musters enough courage to pull the plug and go to the country.

[*Translation*]

Mr. Antonio Yanakis (Berthier-Maskinongé): Mr. Speaker, I am happy to have the opportunity of participating in the debate today, on the motion presented by the hon. member of the New Democratic Party for Yorkton-Melville (Mr. Nystrom) who, on behalf of his party, criticizes the policies of the government which he finds inadequate to control inflation, specially where foods are concerned.

That subject is of particular interest to me, Mr. Speaker, as I know it quite well, having had the privilege of sitting, in 1974 and 1975, on the parliamentary commission whose mandate it was to look into the cause of the inflation which was affecting our economy, and namely food prices. In 1975, after anti-inflation measures were adopted, I participated, in the House of Commons, in the debates on decontrol measures, an exercise considered as extremely complex, which was applied from April 1975 till very recently, the end of December I believe, when the Anti-Inflation Board was dissolved.

Mr. Speaker, for quite some time our policy has been aimed at slowing down and even at controlling inflation while avoiding other types of adjustments in our economy. Those are always difficult steps to take to maintain a very precarious balance. I will not suggest today that we have completely succeeded in reaching our aim which is to reduce the rate of inflation, but I think that if we objectively consider the situation, there is evidence that we will obtain better results at the price level, and that anyhow they are better in Canada than in most other industrialized countries.

[Mr. Wise.]

There is no doubt, Mr. Speaker, that there were a few failures in the process. They are essentially beyond our control. But even in that case we are trying to respond and to get over them. We still have much to do as is the case in other countries, but I would like to insist on the necessity of keeping confidence in our economy, because if we consider the conditions, such confidence is warranted. Moreover, I notice a more optimistic attitude toward our economy even if it does not show among members opposite or among some economists.

Let us examine briefly what happened inflationwise. About five years ago, Canada, like other countries, was hit by galloping inflation which forced prices up by almost 11 per cent in 1974 and 1975. This situation forced the government to launch its anti-inflation program in the fall and to establish regulations which contributed to the slowing down of rising prices and gradually bring the situation back to normal. But we all recognize that such a control program is mostly a psychological weapon that works well within a free market economy only if it is enforced for a limited period. For this reason we started the decontrol process about a year ago, last April.

That same month the Minister of Finance (Mr. Chrétien) said in his spring budget speech that in his opinion the consumer price index would rise some 7 per cent in 1978. In fact, the rise was 9 per cent, and the difference is mainly due to higher than predicted rise in the food prices and to a new decline of the dollar which has raised the price of all imported goods. Save for an unexpected surprise, we believe the CPI will go up by 7 or 7.5 per cent this year, and again, for the most part, this rise will be attributable to food prices and imported goods. I am not for a minute suggesting such a rise is acceptable, but it will be lower than the inflation rate we have known these past years.

Following the lifting of controls, it was decided in a conference of the first ministers to ask the Economic Council of Canada to continue analysing the situation in terms of prices and costs. This request has led us to the establishment of the Centre for the Study of Inflation and Productivity. This agency was given the task of watching for prices and costs changes so as to inform Canadians of any tendency which could possibly thwart our chances to fight inflation. Its terms of reference also included studying structural problems, likely to cause rising costs and prices, thus making the economy more vulnerable to inflationary pressures. Very recently, Mr. Speaker, the CSIP management wrote to major corporations to ask them for information relating to their costs and prices, in order to be able to make more extensive analyses.

● (1730)

This is covered by its terms of reference. I must emphasize however that the first proposal submitted by the federal government to the various premiers at the federal-provincial conference of February 1978 was to grant larger powers to that body in order, not to roll prices back, but to investigate, obtain

information, and so on. Quite frankly, it was the provincial premiers who rejected the idea, they asked that we do not proceed with this. New Brunswick's premier suggested he would favour a less powerful agency. Because of changes that were made, there should be more reference to control boards because that term had a coercive connotation. He wished an organization would be established that would operate on a voluntary basis.

There is dissension, Mr. Speaker. Provincial governments do not want us to establish an organization that would be more powerful than the Centre for the Study of Inflation and Productivity. I would point out that the Minister of Finance (Mr. Chrétien) and cabinet are seriously scrutinizing the centre's role, as to whether in particular it should be given certain powers of control to determine in the eyes of Canadians whether some firms are making excessive profits. Whatever the decision, there certainly will be no roll-back powers. We have no intention to go along that road, because we have reasons to believe this would be wrong. In the final analysis, the only way to wrestle inflation is to have a strong and dynamic economy, and to implement a sound fiscal and monetary policy. This is the only way to ensure total recovery and growth in the private sector.

In agreement with the provinces, the government undertook some years ago to control its expenditures, to maintain them below the growth rate of the gross national product. This is what we have been doing. Monetary policy reflects our concern with inflation. A great number of other strong influences are acting to stimulate business in the private sector. We are in a position, Mr. Speaker, to demonstrate that our competitivity has improved at the international level. Our production costs have decreased at a time when the value of our dollar declined on foreign markets. There has been a spectacular increase in the number of jobs—more than 440,000 jobs created during the last 12 months—and in 1978 we recorded an unprecedented surplus of $3.5 billion in our trade balance. The manufacturing sector strongly recovered last year with a production growth of 9 per cent and a job creation growth of 7 per cent.

We are confident that this year the real growth will reach the 3.5 per cent mark and the known intentions of prospective investors allow us to believe that the rate of real investments will go up by 4.5 per cent for the economy as a whole. Frankly speaking, I see nothing wrong with profits, a word which someone dared pronounce. I think it is a very important aspect of the economic crisis our country has gone through namely the fact that profits are increasing. It is the main source of capital and investment required to create jobs, preserve them and generate the growth so badly needed in our country. All sectors in our economy, workers and businesses alike, should feel happy that there have been profits because without them there would not be enough money available for the workers to earn decent wages and keep their jobs.

Mr. Speaker, we believe that everything needed is there to ensure a steady expansion in our economy. We are indeed worried about the price escalation of imported food products which contribute to the lowering of available income of workers. We do not deny either the fact that because of the increase it will be more difficult to reduce inflation. Yet we must ask ourselves seriously if we can actually protect the Canadian people from all the elements of inflation which find their origin abroad. Any overzealous attempt to intervene in the operation of the market when there is nothing to substantiate allegations of price rigging, as here in the case of food products, would indeed be a step in the wrong direction. We would stand the risk of losing the advantage which we painfully acquired in recent years.

The federal government has been subsidizing oil supply in eastern Canada for the last three years in order to maintain an equitable price across the country for this product which represents over $1 million per subsidized day for consumers in eastern Canada. Mr. Speaker, I sympathize with the reasons which motivated the hon. member of the NDP to propose this motion to the House today. I myself, as well as the consumers whose interests I defend, have had enough of unending price increases. All of us on the government side want to do something to help consumers, both collectively and individually, and in the last few years we have indeed done much to ease the burden of soaring prices.

Only recently, the Minister of National Health and Welfare (Miss Bégin) has increased the guaranteed income supplement and instituted a $200 child tax credit aimed at helping poor and middle income Canadians. We reduced the sales tax and personal income tax, directly or through indexation. The latest consumer price index figures demonstrate that the federal sales tax reduction announced in the November budget is in fact felt at the consumer level, and that because of this measure, non-food products in the index have shown only a slight increase. In some cases, there has even been a reduction in the price index of clothing and furniture.

The first and most important measure taken this year to stop inflation was the establishment of the Anti-Inflation Board in the fall of 1975.

The government recently appointed a new president to the National Food Products Marketing Board. He has experience not only in agriculture but also in consumer products. It gives a chance to all food producers to be better heard. The board has received new directions and has been asked to listen attentively to the representations and to consider each case with flexibility.

The government has taken measures to show the food product consumer how to get more for his money. We have sent to daily and weekly papers, news releases showing the better food buys. Last week, for instance, we had a long article about the price of pork which was advantageous in many areas of the country. At other times, we recommend the substitution

of other protein foods like eggs, poultry, and fish. This information is helpful to consumers.

Inflation is certainly a serious matter of concern for the government, but it should not be to the extent that the flexibility and adaptability of the Canadian economy might be comprised. The government is confident that businesses and unions also want to protect the gains made during the three year fight against inflation.

The government has full control over its spending; wages demands and agreements are more realistic, and our export prospects are excellent. Quite possibly food price increases will come down with time. In those circumstances we would be wrong to revert to confrontation, as the motion before the House today suggests, rather than insisting on moderation and seriousness. Canadians know they could not improve their capacity to meet competition and their standard of living just by increasing prices. The government will certainly not tolerate an irresponsible attitude about price and salary increases nor will it resort to control on monetary policy to discourage those inflationary surges. Mr. Speaker, in spite of the inflation we have all been experiencing, it is unfair to say that the average family is helpless against those temporary increases. If we look at the statistics of the past three years, we see that in 1975 an average family of four needed 24 hours of work to buy its grocery basket, 14 hours in 1976 and 8 hours in 1977. So you see that family income went up during those years and the government as a result of the indexing of social benefit payments like old age security pensions, family allowances, welfare, veterans pensions and others has maintained the purchasing power, as the Prime Minister suggested recently, of those who can least cope with inflation. In concluding, Mr. Speaker, I will say that among industrialized nations Canada is still the country which is best coping with the economic difficulties facing industrialized nations today.

● (1740)

[*English*]

Mr. Bob Rae (Broadview): Mr. Speaker, in my remarks this afternoon I want to take members through an average day in the life of a constituent of mine and compare that average day in 1973-74 in terms of what that person is going to be spending in 1979.

Let us start with him waking up in the morning and finding himself in his house. His house in 1973 in the city of Toronto cost $40,605. That was the average selling price of a home. In 1979 that same person wakes up and, if he wants to buy a house and is not fortunate enough to live in one, he finds that the price of the average house in Toronto is $68,500. That is an increase of $28,000 in the average selling price of a home in the past five and a half years.

He is heating himself either by fuel oil or natural gas. Look at the price of fuel oil. In 1973 it was 25.9 cents a gallon. In 1978-79 it is 60 cents a gallon, an increase of more than 100 per cent. The price of natural gas would have been $1.23 per thousand cubic feet. Now we are looking at $3.09, an increase of nearly three hundred per cent.

He gets out of bed and makes himself some breakfast. If he has not got cholesterol like the government he might cook himself some eggs. In early 1973 he would have spent 71 cents for a dozen eggs. In February of 1979 he would be spending a $1.05 for the same dozen eggs.

An hon. Member: They would be a little old by then.

Mr. Rae: That is true. They would not taste as good, but they would be more expensive. If he has some coffee it cost him 99 cents for a pound of ground in 1973 and the price has risen, now, to $3.27. If he decides to splurge and have some cornflakes, in 1973 it would have cost him 42 cents. In 1979 he has to pay 93 cents for exactly the same cornflakes.

An hon. Member: A little stale!

Mr. Rae: A little staler and more expensive. If he gets into his car, if he can afford to buy a car, in 1973-74 it would have cost him between $3,000 and $4,000, that same car would be selling now for $5,000 or $6,000. He would be paying, in 1973, 56 cents per gallon. In 1978 he would be spending 93 cents a gallon, and we predict that next year he will be paying over $1.00 a gallon for that gasoline.

If he was taking public transport in the city of Toronto in 1974 he would have spent 30 cents cash fare, or four tickets for a dollar. In 1979, thanks to the policies of the federal and provincial governments and the subsidies for urban transport which were supposed to come according to a promise in 1974 and never came, that same person would be spending 60 cents cash fare. That is double the price, or six tickets for three dollars.

Now what has happened to wages as he gets to his place of work? When he arrives at his place of work does he find that his wages have in any way kept up with the rise in the cost of living? No, Mr. Speaker, they have not. That person would have gone into controls in 1975, he would have been zapped by the Prime Minister (Mr. Trudeau), but he did not see his food prices being zapped. And when he finally comes out of controls three years later not only has he not managed to keep up with inflation but he has fallen behind.

We also note that as we come out of controls we have not seen a wage explosion in Canada. There has not been the kind of explosion that the Prime Minister has said he was worrying about. But there has been a price explosion and a profit explosion as we come out of controls, and there is no protection for the Canadian consumer when that happens. None whatsoever.

That individual may then decide to have some lunch, let us say a tin of salmon. Let us go back to the shopping List. In 1973 a tin of salmon would have cost him 72 cents, now it costs him $1.59. If he has a hot dog it was 92 cents a pound in 1973, and $1.72 in 1979. If he decides to be healthy and have some vegetables, tomatoes cost him 49 cents in 1973, and 89 cents in 1979. It is very easy for the Minister of Justice (Mr.

Lalonde) to laugh. But let me say this to members on the government side. Take a walk down the streets, visit the supermarkets and talk to the people who are in those stores. Talk to the pensioners who have to buy single fish fingers because they cannot afford to buy the entire package, finding it is too expensive and uneconomical to do it that way. We are not simply talking about the cheaper cuts of beef.

There are times in my riding when I know that people are buying food which is not intended for human consumption. Yet the government has removed the subsidies from bread, skim milk, flour and milk which would provide the kind of protection and the kind of subsidy which would guarantee lower prices to those Canadians. Ask those people how they feel. They are terrified. They know they have no control over what is happening to food prices. They know they have no control over what is happening to house programs. They do not have a government in Ontario which is prepared to listen to them or do anything about the cost of public transport. There is a price explosion in the city of Toronto right now and this government has no policies to deal with it.

If you are not feeling too well and decide to go to a doctor in Toronto, look at what OHIP fees would have been in 1973—the chances are your doctor would have been in OHIP in 1973. If you are single person you would have been paying $11.00 a month; it was $22.00 for a family. In 1979 the OHIP charge for the single person has risen to $19.00, and for a family it has gone up to $38.00. In May of 1978 a charitable organization known as the Ontario Medical Association set its own fee schedule for doctors, 30 per cent higher than the OHIP fee schedule. In January of 1979 that same charitable organization increased its schedule by 6.94 per cent. In the city of Toronto a quarter of the doctors are no longer in OHIP and are charging the OMA schedule. So health costs are skyrocketing.

• (1750)

If people are not elderly and are forced into a hospital and have to stay longer than 60 days, in the city of Toronto they will be spending $9 a day for the pleasure of living in one of those luxury hotels which we call hospitals. That is the attitude of this government and of the provincial government of Ontario. That is exactly what is happening, and if there is a common agreement between these two parties it is that in an atmosphere of cutting back government expenditures it is respectable to allow doctors to go back into the private sector. This government has made that kind of attitude respectable because of the cutbacks which have taken place.

Mr. Railton: Mr. Speaker, I cannot quite let that pass. I think a mistake was made. The federal government has not allowed anything like that to happen. Doctors are opting out voluntarily because fees have not been raised for ten years.

Mr. Deputy Speaker: Order, please. The hon. member can raise points of procedure, but if he disagrees with the hon. member who is speaking, he can seek the floor in due time and make his own remarks.

Price Increases

Mr. Rae: Mr. Speaker, the point is that when we look at what has been controlled over the past five years and what this government has done to the ability of people to protect themselves on the private market, it has taken protection away.

The government has controlled wages.

An hon. Member: Come on!

Mr. Rae: The Conference Board in Canada said this, not the New Democratic Party. The Conference Board in Canada has pointed out that the government managed to control wages in the period between 1975 and 1978, but not prices. Now that we are coming out of controls we can see that the Canadian public is being subjected to a price and profit explosion. That is why the hon. member for Yorkton-Melville (Mr. Nystrom) moved this motion today. The people of Canada are beginning to recognize that it is not good to move from one impotent commission to another. It is no good to set up a series of institutions, none of which is effective in dealing with the problem of controlling prices. It is far more important to introduce a government institution which has policing powers and roll-back powers to enable the people of Canada to have the sense of protection and security they need.

Mr. Railton: Dreamer.

Mr. Rae: If the Government of Canada is saying that it is dreaming on the part of the Canadian people to expect to have reasonable prices and not to have gouging and profiteering, I say that the hon. member is in for a nasty surprise. The people of Canada are not dreaming when they expect that kind of treatment. They expect decent treatment. If the hon. member is saying that it is dreaming to expect security, I say he is sadly mistaken because it is not dreaming to expect security. That is something the people of Canada expect and dearly want to have. They are looking for a government and a group of people who are prepared to provide that.

The hon. member for Yorkton-Melville pointed out that instead of having a toothless watchdog which does not even bark any more, we should have a commission which has these policing and investigative powers and also the power to roll back. The people of Canada are looking for an Elliott Ness to protect them at this time, but they have been given an Inspector Clousseau in the person of the Minister of Consumer and Corporate Affairs (Mr. Allmand). The Minister of Consumer and Corporate Affairs is not even responsible for the National Commission on Inflation. The minister is not even a member of the Board of Economic Development Ministers. His only role is to come into this House on the eve of an election and announce that he will present a competition policy.

The Liberal party has had 16 years to present a competition policy. Every time the government prints up and sends to the business community a competition policy and it gets on the order paper, it is withdrawn. Each time the minister says that the government cannot make up its mind and that each policy is not good enough. He says we need another one which is different. Mr. Basford, who has left this House, proposed a

competition policy which was supposed to make the Canadian economy competitive, give some protection to the Canadian consumer, and provide some work. He had to withdraw that policy because of the attacks of the business community.

Mr. Lalonde: The NDP fought that too.

Mr. Rae: Then the government set up the Bryce commission on corporate concentration. That commission said that corporate concentration is good for the Canadian people and that we should have more of it. That is the direction in which this government is moving. One day it says one thing, and the next day something different. The government cannot make up its mind about any policy, and the minister has the nerve and the gall to come into this House and say that we need a long-term strategy to deal with prices and that that involves a competition policy. We do not have a bill. The government does not have any ideas. For all we know, such a policy has not even been approved by the cabinet. Once it is approved by the cabinet it probably will not be approved by the business community, to which this government is so beholden.

A shopping basket of 15 items cost $10 in 1973. In 1979 that same shopping basket costs $20.87. That is an increase of over 100 per cent. Unfortunately for this government, the Canadian people buy food every day and every week, and every time they buy food, this government is indicted because it has not had a food policy, a food strategy, a price policy or a price strategy for the past 16 years. This government has gone from pillar to post, and the only controls it ever introduced were controls which got at the so-called villain, wages. Wages were controlled, but nothing really happened to inflation. We had three years of wage controls which did nothing to protect the average consumer, and they certainly did nothing to protect the average wage earner. I say that the people of Canada expect a fair prices commission which would provide them with security, protection, and guarantees against gouging, profiteering and price increases. Hopefully there will be an election soon which will allow the Canadian people to have that institution.

Mr. Paul E. McRae (Fort William): Mr. Speaker, I have only a couple of minutes, but I was very disappointed in the last speech. I was amazed at some of the figures the hon. member used. He picked a price for one food item but missed other food items. Everyone knows, for instance, that if a hot dog cost 78 cents in 1973, one could probably buy one for $1.78 in one store but perhaps $1.40 in another, as I did a week ago. Some of these things do not really count. I think I should point out that increases in prices and increases in wages even themselves out.

I will defend the wage and profit control program which we had because it did control both. It did involve price rollbacks. That is an important point which we must remember. I would like to know how, in this day and age, and with millions of commodities on food shelves and other shelves, one could actually control prices. There is only one way I see that that could be done in any intelligent way, and that is by controlling wages and profits because they are manageable. Those things are manageable, but prices are not so manageable because of bureaucracy, our relationship with the provinces, constitutional considerations, and so forth.

I have just a few seconds left, and I cannot say very much, but I think the motion before us is very impractical.

The present monitoring body at least has the power to subpoena, to obtain information and so forth, and with proper advertising and proper information to the public the squeeze can be put on those who are profiteering.

Mr. Deputy Speaker: Order, please. It being six o'clock it is my duty to inform the House that, pursuant to Standing Order 58(11), proceedings on the motion have expired.

* * *

● (1800)

MESSAGE FROM THE SENATE

Mr. Deputy Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate have passed Bill S-12, an act to amend the National Energy Board Act, to which the concurrence of this House is desired.

* * *

POINT OF ORDER

MR. WHITEWAY—PRIVATE MEMBERS' PUBLIC BILLS—WITHDRAWAL OF BILL C-351

Mr. Dean Whiteway (Selkirk): Mr. Speaker, I ask for the unanimous consent of the House to withdraw a private members' bill standing in my name, namely, Bill C-351, to amend the Canada Labour Code (right to work). Upon close scrutiny of the bill I have determined that the bill would challenge the Rand formula. This was not my intention in the bill, so I ask for the unanimous consent of the House to withdraw this bill.

Mr. Deputy Speaker: Is there unanimous consent that the hon. member for Selkirk (Mr. Whiteway) be authorized to withdraw order No. 151 from the order paper respecting Bill C-351, an act to amend the Canada Labour Code (right to work)?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It is so ordered.

Order discharged and bill withdrawn.

Mr. Deputy Speaker: It being six o'clock this House stands adjourned until tomorrow at two o'clock, pursuant to Standing Order 2(1).

At 6.02 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, March 15, 1979

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

RAILWAYS

FUNDS TO COMPLETE RAIL LOCATION STUDY IN WINNIPEG—GOVERNMENT POSITION—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise, under the provisions of Standing Order 43, to raise a matter of urgent and pressing necessity.

Recently, in Winnipeg, the regional executive assistant to the Minister of Transport (Mr. Lang), Mr. Jim Weir, accused the Minister of State for Federal-Provincial Relations (Mr. Reid) of being confused as to government policy with regard to rail relocation study funds. He said: "I dare say an awful lot of people are very confused after John Reid said what he said". Mr. Weir also said: "I don't think the minister fully understood the government's financing programs".

Due to the continuing conflicting statements coming from the Minister of State for Federal-Provincial Relations, I move, seconded by the hon. member for Portage (Mr. Masniuk):

That the Minister of Transport forthwith make a statement clarifying the position of the federal government on the provision of funds to complete the rail relocation study in Winnipeg.

Mr. Speaker: The introduction of such a motion would require unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CULTURAL AFFAIRS

REQUEST THAT STUDENT EXCHANGE PROGRAMS BE RE-EXAMINED WITH VIEW TO RESTORATION—MOTION UNDER S.O. 43

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

Given the contribution that the Open House Canada program, if properly administered, can make to improving cross-cultural understanding in this country of ours, so deeply riven today as a result of this government's misguided policies, and given the fact that great expectations have been built up among many students as a result of the early promise of funds to carry out a student exchange, only to be dashed when programs are cancelled at the eleventh hour, and considering the recently announced last-minute cancellation of several exchange programs, more likely than not for schools in ridings of opposition members, I move, seconded by the hon. member for St. Boniface (Mr. Hare):

That this House deplores these last-minute cancellations, urges the Secretary of State to re-examine them case by case with a view to their restoration, as well as to require his officials in future, on pain of heavy penalty, to refrain from building up expectations until there is absolute certainty that the necessary funds are available and, finally, calls on him to table in this House the list of exchange programs which have just been cancelled, along with the constituencies affected.

Mr. Speaker: The introduction of such a motion for debate at this time can be done only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

• (1410)

[*Translation*]

FINANCE

SUGGESTION BANK OF CANADA TAKE STEPS TO IMPROVE THE ECONOMY—MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, I rise under the provisions of Standing Order 43 to ask for the unanimous consent of the House to move a motion dealing with an important matter of pressing necessity.

Considering that the daily newspaper *La Presse* reported this morning that our country is experiencing serious problems about its borrowings abroad; considering that the main purpose of the Bank of Canada is to control credit in the interests of the economic life of the country; considering that the policy of that institution is laid down by the Government of Canada, I move, seconded by the hon. member for Abitibi (Mr. Laprise):

That the House direct the Minister of Finance (Mr. Chrétien) to take all necessary steps so that the Bank of Canada will alter its policy concerning issuance of credit for the economic development of Canadians.

Mr. Speaker: The House has heard the motion of the hon. member. Under the provisions of Standing Order 43, such

motion requires the unanimous consent of the House. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

POST OFFICE

CALL FOR REVIEW OF RURAL MAIL CARRIER CONTRACTS—MOTION UNDER S.O. 43

Mr. Howard Crosby (Halifax-East Hants): Mr. Speaker, I rise under the provisions of Standing Order 43.

The mail service in rural Nova Scotia and other rural parts of Canada will suffer further deterioration unless the contract terms for carriers are reviewed. I move, seconded by the hon. member for Dartmouth-Halifax East (Mr. Forrestall):

That the Postmaster General be directed to review the terms of rural mail carrier contracts, particularly the maximum payment now permitted and provisions for cost escalation.

Mr. Speaker: The presentation of such a motion at this time would require unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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CANADIAN BROADCASTING CORPORATION

CONTRACT FOR COMPUTERIZED SYSTEM FOR SCHEDULING TV COMMERCIALS—MOTION UNDER S.O. 43

Mr. D. M. Collenette (York East): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

Whereas the Canadian Broadcasting Corporation has decided in principle to award a contract for a complete computerized system for scheduling TV commercials, billings and accounting for the entire English network to Data Communications Corporation, Memphis, Tennessee, resulting in all of the corporation's crucial financial data being stored in a foreign country, and whereas a Canadian company submitted a competitive bid for this contract, I move, seconded by the hon. member for Spadina (Mr. Stollery):

That this House urge the Secretary of State to advise the president of the CBC of the grave concern with which the members of this House view this matter and to request reconsideration of this decision.

Mr. Speaker: The introduction of such a motion for debate at this time would require unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Speaker.]

[*Translation*]

INCOME TAX

PROPOSAL THAT LEGAL SPOUSES BE ENTITLED TO SAME EXEMPTIONS AS COMMON LAW SPOUSES—MOTION UNDER S.O. 43

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, pursuant to Standing Order 43, I seek the unanimous consent of the House to move a motion on a matter of pressing necessity.

Considering that current income tax regulations enable common law wives to claim personal exemptions which exceed by $400 those of legitimate wives, I move, seconded by the hon. member for Richmond (Mr. Beaudoin):

That the Minister of National Revenue and Minister of State (Small Business) (Mr. Abbott) make the necessary corrections to the Income Tax Act before April 1, 1979 so that legitimate wives may be entitled at least to the same exemptions as common law wives.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

HOUSE OF COMMONS

NUMBER OF COMPLIMENTARY COPIES OF "HANSARD" DISTRIBUTED TO MPs—MOTION UNDER S.O. 43

Mr. Donald J. Johnston (Westmount): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity. The matter is one which was dealt with in a general way by the hon. member for Winnipeg North Centre (Mr. Knowles) last week, and it deals with the distribution of *Hansard* to those Canadians who find the $65 annual subscription cost prohibitive, such as students and academics.

I have discussed this matter with members on both sides of the House, and therefore I move, seconded by the hon. member for Winnipeg North Centre:

That members of this House be accorded an increased number of complimentary *Hansard* subscriptions to be made available to constituents who require *Hansard* and who would otherwise find the cost prohibitive; and that the Standing Committee on Management and Members' Services suggest the criteria to be used in selecting the recipients of such subscriptions.

Some hon. Members: Hear, hear!

Mr. Speaker: The introduction of such a motion at this time requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Carried.

Some hon. Members: No.

Mr. Speaker: Oral questions.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Finance and it touches on the industrial selling index being up 1.5—

• (1415)

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, did I understand you to say that the last motion presented, in regard to *Hansard*, was carried? I very loudly said "No.". If we are to distribute *Hansard*, let us distribute it properly and not through a motion.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. As I have done on many occasions in the past, I indicated to the House that pursuant to Standing Order 43, presentation of such a motion requires unanimous consent of the House. In calling for unanimous consent, perhaps there were members who indicated that that consent was not forthcoming, which I did not hear.

As I have always done in the past when corrected in this regard—because sometimes conditions make it difficult to hear—I would have to indicate that, unanimous consent not having been given, the motion would have been put improperly and, therefore, the question ought not to have been in the hands of the House at the time and ought to be considered as though it had not been put with the unanimous consent of the House.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

REASON FOR RISE IN INDUSTRIAL SELLING INDEX

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Finance: it deals with the alarming inflation we are still experiencing in the country. For example, the industrial selling index is revealed to have gone up 1.5 per cent last month and up 11 per cent in the year, including leather being up 3.2 per cent, textile prices up 1.9 per cent, and paper up 2.6 per cent.

Would the Minister of Finance level with the House? How does he explain such sensational price increases when he has been telling us that the underlying rate of inflation in the country now is controlled?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, I have said many times that the underlying rate of inflation in Canada in 1978 was between 6.5 per cent and 7 per cent. That is the story as determined by the statistics. Of course, we are always preoccupied with the level of inflation. As I have said many times, it is still the number one problem in Canada.

We are taking all possible steps in order to help control the problem, but of course some elements of inflation are not within the control of the government. About a year and a half ago we decided that we would get out of controls and let the marketplace operate. The marketplace is operating and we are not planning to reimpose controls.

Mr. Stevens: Mr. Speaker, how can the Minister of Finance say they are taking all steps when they have allowed the dollar to fall to its present level, and when they are continuing to print money at the rate of 11.5 per cent per year?

My follow-up question to the Minister of Finance is: In view of the fact the manufacturing sales tax reduction should now be felt in the price of products in Canada, can he explain why there was a 1.5 per cent increase last month? Does the minister know if the manufacturing sales tax reduction was, in fact, passed on to the consumer; or has it simply been caught up in the general price mechanism of the country?

Mr. Chrétien: Mr. Speaker, the hon. member said that we are printing money to the tune of 11 per cent in Canada. It is not true. The M-1 increase in the money supply year over year has been around 6 per cent.

In my budget of November 16 I wanted to ensure that the tax cuts were passed on, but of course we have to rely on the marketplace to see that they are passed on. We are monitoring these developments and have received no indication that the tax cuts have not been passed on. Of course, there are other factors included in the pricing of products: some of those increased, and consequently prices went up.

Mr. Stevens: Obviously, the Minister of Finance does not even read the releases from the Bank of Canada. Yesterday's release showed that the M-1 was up 11.5 per cent, not 6 per cent to which the minister referred.

Would the minister indicate what he is doing to protect the Canadian consumer, in view of the fact that leather prices in the country have doubled over the past year and were up over 3 per cent last month alone, bearing in mind that the price difficulties are due largely to the cheap dollar triggering very, very heavy buying of our raw hides by foreign countries?

• (1420)

Mr. Chrétien: One of the difficulties in respect of leather is that the shoe industry in Canada is now operating at a much higher utilization of capacity. Measures taken some years ago in order to protect Canadian manufacturing have increased the utilization of capacity in many sectors. This is one of the problems with which we have to cope. When your capacity is utilized above 90 per cent of its potential, then this is a problem you have to face at least once in a while. When your

economy is growing, you face some shortage of supply and that tends to increase prices.

Mr. Speaker: Order, please. Before recognizing the hon. member for St. John's East on a supplementary question, I want to inform the House that there has been a technical difficulty in the preparation of *Hansard*, but we hope to be in a position to distribute it in a very few minutes.

INCREASE IN PRICE OF AUTOMOBILES DESPITE REDUCTION IN SALES TAX—TARIFF REDUCTIONS

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to ask the Minister of Finance, since he suggested in reply to my colleague that they are monitoring to see that the federal sales tax reduction is being passed on to the consumer, whether he can explain to the House and the country why prices of automobiles to the consumer went up by 11.5 per cent and that increase started at about the same time that the reduction in sales tax became operative.

[*Translation*]

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, a few days after November 16, when we announced the 3 per cent sales tax cut, car manufacturers announced in turn that they would reduce their prices accordingly. With the coming of the new year, either late in 1978 or early in 1979, they came up with new prices which reflect the increase in their production costs. At the time of the budget announcement, car manufacturers had ads published in newspapers to the effect that they would reduce their sale prices by 3 per cent, and they did reduce them at the time.

[*English*]

Mr. McGrath: Mr. Speaker, I find the minister's reply hard to reconcile with the fact that in November the price of automobiles went up by 5.8 per cent, and that was the month the sales tax reduction became operative.

Can he tell the House how he intends to monitor the tariff reductions on imported produce, given the fact that these tariff reductions are so small; for example, in the case of orange juice it is one cent, and in the case of a head of lettuce it is less than one cent? How does the government intend to monitor these tariff reductions to see that they are being passed on to the consumer and do not, in fact, constitute a windfall for the middlemen?

Mr. Chrétien: Mr. Speaker, in respect of a reduction in that type of tax, of course, you have to rely on the marketplace. If their cost is lower, normally they pass on the reduction in cost. We cannot monitor to make sure that every store in Canada will pass on these benefits to the consumer. If you want to have that system, you will be back to controlling every aspect of the economy—and that is not the philosophy of our party.

[Mr. Chrétien.]

CONSUMER AFFAIRS

PASSING ON OF SALES TAX CUTS TO CONSUMERS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my supplementary question is directed to the Minister of Consumer and Corporate Affairs. On Tuesday, he told the House that the latest consumer index "shows that the sales tax cut brought forward by the Minister of Finance is being passed on." He referred to clothing as an example. The manufacturing sales tax did not exist in respect of clothing, in the first place.

I should like to ask the minister how he can rationalize to the House, now, that the sales tax cut is being passed on when the industrial price index for manufacturing went up by 11 per cent; in other words, the highest increase since June 1975? How can he reconcile these two conflicting facts?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, our analysis of the last CPI—not the one that came out just today—showed that there was a very moderate increase in the non-food section of the CPI and that, in fact, there had been reductions in respect of clothing and furniture. In addition, our analysis of the CPI at that time indicated that the sales tax cut was being passed on and that this was reflected in the non-food segment of the CPI.

Mr. Nystrom: Mr. Speaker, I should like to point out to the Minister of Consumer and Corporate Affairs, because he obviously does not know, that there is no manufacturing sales tax on clothing, and therefore that does not come into the statistics at all. If it is being passed on, why has the index gone up? What assurance can the minister give us that the sales tax reduction is being passed on; or is this just plain, simple rhetoric on his part?

Mr. Allmand: No, Mr. Speaker, we are watching that very closely. When I gave that answer, it was based on our analysis of the CPI at that time. I think I mentioned to the hon. member and other hon. members of the House that we would be watching it closely as time went on. It may be that things will change. We are continually analysing the situation and we will report any changes when we have them.

* * *

● (1425)

THE CANADIAN ECONOMY

NATIONAL COMMISSION ON INFLATION—INVESTIGATION OF PROFIT INCREASES

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my final supplementary is directed to the Minister of Finance. Things are changing for the worse. On March 5, the hon. member for Nanaimo-Cowichan-The Islands asked the Minister of Finance about the high profits in the steel industry, which had increased by some 45 per cent, and the high profits in the banking fraternity, which had increased by 34 per cent, or $1 billion last year.

The minister assured the House that the new National Commission on Inflation would make sure that abuses would not occur in the marketplace. Would the minister tell the House whether the NCI has any plans to investigate these profit increases and, if it has, what action are they planning to take?

[*Translation*]

Hon. Jean Chrétien (Minister of Finance): No, Mr. Speaker, the commission is not yet completely set up. They are now getting organized and have not had time to make that survey. But as soon as they are well settled in—I hope to be able to appoint the other members of the commission within the next few days—they will give priority to that type of problem.

* * *

FINANCE

INQUIRY WHETHER STUDY CONDUCTED INTO PROFITS OF CHARTERED BANKS

Mr. Eudore Allard (Rimouski): Mr. Speaker, my question is directed to the Minister of Finance.

As a result of the publication of a study commissioned by the Economic Council of Canada on the profits and losses of chartered banks, profits which would appear to have gone up to $500 million over the period from 1968 to 1973, and also of the last financial report of chartered banks for the financial year ending October 31, 1968, which indicates, among other things, profits of as much as 58 per cent, does the minister intend to set up an inquiry into that situation which is, to say the least, unacceptable?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, if the hon. member studies the reports of the banks he will realize that their profits increased in proportion with their turnover, and that in many cases benefits were made especially in their foreign operations and not in Canada. The main chartered banks in Canada have a third of their assets in banking operations abroad. That factor must be taken into account in analyzing their profits. Consideration must also be given to the fact that, because of greater internal liquidity in the Canadian economy, the banks have increased their turnover considerably, very often to the detriment of their competitors. Profits must therefore be compared with the level of banking activity and, personally, I see no great cause for alarm at this time.

REQUEST THAT BANKS REDUCE INTEREST RATES ON LOANS

Mr. Eudore Allard (Rimouski): Mr. Speaker, on a supplementary.

Since excessive profits have been made, especially on the backs of small borrowers who have to pay consistently high interest rates on their loans and so guarantee our banks profits, will the minister pressure the banks into reducing the interest rates on loans since he said himself, on February 6, 1979, according to *Hansard*, page 915, that they would be well advised to use those excess profits to reduce interest rates?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, the market forces are beginning to show their effect. For example, I read this morning in the newspaper, as the hon. member probably has done too, that one of the major banks in Canada has lowered its interest rates for mortgages because of the reduced demand. Supply and demand and other pressures that bear on the marketplace are such that interest rates on mortgage loans have a tendency to go down at this time. Of course one must take into account the context in which we are living, when the Bank of Canada has to maintain interest rates which attract capital into Canada if we do not want to see a further lowering of the Canadian dollar value. However, in that context, I think competition has helped maintain interest rates as low as possible.

* * *

• (1430)

THE CANADIAN ECONOMY

REQUEST FOR ASSURANCE THAT WAGE AND PRICE CONTROLS WILL NOT BE REIMPOSED

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I also have a very important and straightforward question for the Minister of Finance.

Can the minister tell the House if he intends, now or during the next election campaign, to promise that the government has no intention of imposing a wage and price control program, as the right hon. Prime Minister promised during the last election campaign?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, we recently appointed a commission on inflation and we said, at that point, that the government was adverse to re-establishing controls in Canada.

We trust that the controls which were in place from 1975 to mid-1978 taught Canadians a lesson, namely that if they did not behave reasonably and responsibly, inflation was going to take over our economy and everybody was going to lose out on it. I can certainly say to the hon. member that since we have come out of controls, that is since April 15 last, management and labour have been very reasonable. I think we can indeed say that present production costs have returned to normal, that is they are increasing at a slower rate than those of our major competitors, the United States.

Mr. Grafftey: A supplementary question, Mr. Speaker. I think the Minister of Finance has not replied to my question.

Will he, yes or no, make the same promise that was made during the last electoral campaign? I think this question is equally clear.

Can the minister inform us here and now why the present government, while so successful in controlling wages, has had relatively little success up to now in controlling prices? This is of major importance to our Canadian workers.

Mr. Chrétien: Mr. Speaker, the government is highly concerned about rising prices. Unfortunately, in an economy such as ours it is not possible to control prices without controlling the other sectors of the economy. I think everyone in this House agreed, when we lifted the controls, that we should let the marketplace operate normally, and if such is the situation, we can only do what we are doing now, monitor abuses and denounce them publicly. But we have no intention of introducing partial or full controls.

* * *

[*English*]

INDUSTRY

GOVERNMENT MEASURES TO ENSURE INDUSTRY VIABILITY DURING TECHNOLOGICAL CHANGE

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. As the minister stated yesterday in Windsor that "the Canadian automotive industry is facing rapid technological change, and the government will take steps to ensure industry viability through this period of change", would the minister advise the House what steps the government plans to take to bring this about?

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): Mr. Speaker, basically, the House is fully aware of the steps we took to ensure that the Ford engine plant came to Canada, with an expenditure by them of something over $500 million, which will see the manufacturing of a tremendous percentage of the Ford engines used within Canada.

General Motors are enlarging their transmission plant in Windsor and expending upwards of $400 million on that. Yesterday, I announced that we would make available to the parts industry grants for innovative, new methods of production and innovative, new designs for production in that industry, so that we could ensure growth of the parts industry similar to our encouragement of the Big Three automobile companies.

Mr. Hees: A supplementary question, Mr. Speaker. As the government's program relies heavily on increased research and development, does the minister not consider that allowing the industry to write off 200 per cent of all increases in capital and current expenditures on research and development would be a significant improvement to the government's present incentives plan which was originally introduced by the Conservative government in 1961, cancelled by the Liberal government in 1965 and reintroduced by the government last year without change?

Mr. Speaker: Order.

Mr. Horner: Mr. Speaker, the Conservative government of 1961 exported something like $500 million worth of cars. Today we are exporting something over $10 billion worth. If we used their efforts as a guide, I am sure it would be a dismal failure today.

We are encouraging a tremendous amount of R and D to be undertaken in Canada. We have taken steps already, and I announced additional steps yesterday, to encourage the Big Three to spend more money on R and D. We will continue to pressure them to spend more money on R and D in the automobile industry in Canada.

* * *

HEALTH

REDUCTIONS IN FUNDING—EFFECT ON HEALTH CARE

Mr. Paul E. McRae (Fort William): Mr. Speaker, may I put a question to the Minister of National Health and Welfare?

While looking into the possible misuse of medicare funds, will the minister also look into such items as the cutback in hospital beds, which will seriously affect health care in places like Thunder Bay, and the elimination of insurance for catastrophic illness by reason of a $9.80 per day fee for long-term illness, which could seriously erode lifetime savings?

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, may I point out that no cuts to health care were made by the federal government. I read a reference to that in speeches given in Ontario by provincial ministers. Ontario received over $2 billion for health care in 1978-79.

I shall ask my officials to obtain information on the reduction of beds, to which the hon. member referred, and the problem at Thunder Bay. Of course, the additional fee that chronic care patients are being asked to pay is part of the total program that worries us a great deal. We are studying it right now. I can only repeat that we want fair treatment for providers and for users of health care in Canada.

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TRADE

REQUEST THAT WHEAT SHIPMENTS BE SPEEDED UP

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. When he was recently in China, was he not given to understand that one of the most serious problems connected with the purchase of wheat under the new agreement would be the promptness of delivery?

We have not been able to get any satisfaction from the Minister of Transport in connection with this matter. I ask the Minister of Industry, Trade and Commerce what he is doing about assuring that cargoes of wheat are delivered on time and the pile-up of demurrage shall be reduced to a minimum.

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): Mr. Speaker, when I was in China, the Chinese expressed deep interest in signing a long-term wheat agreement. I am pleased to be able to say to the House that since I came back to Canada, the Chinese have been over and signed the largest wheat agreement ever.

Some hon. Members: Hear, hear!

Mr. Horner: They did suggest to me that this winter, wheat shipments to China have been very good and they had encountered no difficulty in receiving them. They said that a year ago they had run into difficulty.

I can say to the House that in their trip to Canada not so long ago, they spent some time looking at Vancouver harbour. We made them aware of our intentions with regard to improving the deliverability of wheat through Prince Rupert. I might say that I was in Vancouver recently, and counted very, very few ships in the harbour waiting for grain.

Mr. Diefenbaker: Mr. Speaker, it is apparent that since the minister's conversion he makes Saul's look like an amateur performance. He seems to have forgotten that the contract made with China was made by the government of which I had the honour to be the head and of which at one time he was a valiant supporter.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I ask him simply this: How many ships did he count waiting in Vancouver harbour, and on what dates?

Mr. Horner: Mr. Speaker, let me assure the right hon. gentleman that at the time he was leading the government of Canada, I strongly supported it; but when the Conservative party rudely dumped him, I began to lose interest.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

An hon. Member: How about Ralph Stewart?

Mr. Baker (Grenville-Carleton): Jack, smile.

Mr. Horner: I might also say, at that time the present leader of the party was very active in getting rid of him.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

• (1440)

Mr. Horner: With regard to the number of ships I counted in Vancouver, I think I was in Vancouver about a week ago and I counted seven ships. I do not know for certain whether they were waiting for grain, sulphur or potash.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): Little Jack Horner.

An hon. Member: Poor George.

Mr. Speaker: Order, please.

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CONSUMER AND CORPORATE AFFAIRS

PATENT GRANTED TO CHINESE BENEVOLENT ASSOCIATION OF CANADA

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. On December 14, 1978, the hon. member for Vancouver East wrote to the minister on behalf of one Andrew Joe. He asked the minister to strike the federal patent granted to the Chinese Benevolent Association of Canada. Part of the letter reads:

> The people who applied for the federal patent must have been aware of the B.C. society and I submit have in all likelihood filed a false affidavit when they declared no knowledge of a similar-named provincial society.

My question to the minister is: Was there any evidence of likelihood of criminal activities in that society, as the hon. member for Vancouver East alleged, or was it just a case of besmirching the reputation of good citizens and good organizations across Canada?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, I recall the exchange of letters, but unfortunately I do not have them with me and cannot recall the details. However, I know that I replied to the hon. member who was referred to in the question. I would be quite willing to seek the information required and provide it to the hon. member.

Mr. Friesen: Mr. Speaker, I have a supplementary question. The same letter goes on to say:

> It would be appreciated if you would permit me, in the presence of your officials, to examine all documents filed pursuant to the federal patent.

Did the minister give the hon. member for Vancouver East permission to snoop through all the files; and in what way did he protect the reputation and privacy of all those people?

Mr. Allmand: Mr. Speaker, I sign hundreds of letters each week, and it is difficult for me to recall immediately the details of all those answers. However I would be pleased to pursue the question and provide an answer.

It would be helpful if hon. members gave me notice of a question such as that, so I would be better prepared to answer him when I come into the House.

* * *

REGIONAL ECONOMIC EXPANSION

STEPS TO IMPROVE CAPE BRETON COAL INDUSTRY

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, my question is addressed to the Minister of Regional Economic Expansion in his capacity as minister in charge of the Cape Breton Development Corporation.

On April 11, 1978, the Deputy Prime Minister made an announcement in Glace Bay that the federal cabinet had approved in principle an expenditure of $265 million for improvement of the Cape Breton coal industry. The first, and major, component of this spending was to open a new mine outside Glace Bay called the Donkin mine.

Can the minister tell me if the final feasibility study that was supposed to be originally completed at the end of February is now ready, or if a preliminary synopsis of it is ready; and can the minister say if there is any truth in the allegations made that the minister is reputed to have said that such a study and its conclusions would not go before the cabinet until after the next federal election?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, I do not know what the exact date will be of the next election, but if we listen to rumours it seems the election is not that far away.

To return to the main point of the question, yes, it is true that we have an agreement in principle made by cabinet last year that we will launch that kind of feasibility study on opening a new mine at Donkin, having discovered and tested the reserves following drilling, which was undertaken with the province under a joint agreement. The study has been ongoing. In answer to my last inquiry, there was an indication that we should receive the consultants' report within a few weeks; however, I cannot say whether I will have it in two or three weeks' time.

I am sure the hon. gentleman understands the importance of the decision that we must make: it will involve hundreds of millions of dollars of investment. Pending that decision, there is also a decision to be taken in the case of Prince Mine. Work is developing there, and a decision has to be made with regard to further investment in that mine also. Obviously, those major decisions will command serious investigation by myself and my colleagues in cabinet. As they involve an investment of a large sum of money, I will have to consult my seatmate, the President of the Treasury Board, on that.

Mr. Hogan: Mr. Speaker, I am sure the minister received on Monday, as I did, a telegram from Mr. William Marsh, president of the United Mine Workers of America, district 26, in it is said:

[Mr. Allmand.]

Full district executive board United Mine Workers of America, district 26, at a meeting today passed resolution to open new mine in Donkin-Morien area recently promised by Deputy Prime Minister Allan MacEachen. Request immediate action before federal election.

Will the minister give an answer in writing to president Marsh, who is naturally very concerned about the start-up date of the Donkin mine since some 4,000 men are looking for jobs in the Cape Breton coalfields?

Mr. Lessard: Yes, Mr. Speaker, I will obviously answer president Marsh's telegram that was received yesterday in my office. In so far as being able to indicate on what date we will see work starting on the putting in place and developing of a new mine, I am obviously not in a position to do so.

If we base that question on our former performance in Devco on this side of the House, with this government, I think the people in Cape Breton should rest assured that if there is a decision to be taken, it will be taken by this government and it should be a positive one.

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TRANSPORT

USE OF ARTHUR LAING BRIDGE, VANCOUVER—REQUEST FOR IMPROVED FACILITIES

Mr. Thomas Siddon (Burnaby-Richmond-Delta): Mr. Speaker, my question is for the Minister of Transport. It concerns the Arthur Laing bridge between Vancouver and Richmond, B.C. The minister will recall that general commuter traffic is prevented from using this bridge, by MOT policy.

In view of the fact that this $23 million structure is operating at only one-tenth of its design capacity in service to Vancouver international airport, while the adjacent Oak Street bridge chokes on peak traffic volume of almost 3,600 vehicles per hour, will the minister consider the present irrational situation and take steps that will allow commuter traffic to use this strategically located bridge for travel between Vancouver and Richmond?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I am glad to tell the hon. member that it is not Ministry of Transport policy which prevents the bridge from being used in ways different from its present use but, rather, it is my view that it is very much up to the decision of the city of Vancouver and other local councils to deal with this issue. If they address a request to us for a different use of the bridge, we will oblige immediately.

The past position of the city of Vancouver has been against allowing extra traffic across this bridge into that particular section of streets, but if the hon. member knows of any change in that regard, I would be pleased to hear about it.

EXTERNAL AFFAIRS

MIDDLE EAST PEACE NEGOTIATIONS

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. It is related to the historic achievements and peace negotiations that have taken place in the Middle East in recent days. I ask the Secretary of State whether he has any comments to make to this House on these developments.

Some hon. Members: Oh, oh!

Mr. Alexander: That is an abuse of the rules.

Mr. Speaker: Order, please. The hon. member for Okanagan-Kootenay.

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AIR TRANSPORT

INQUIRY INTO DEATHS RELATED TO HELICOPTER SKIING—REQUEST FOR PROGRESS REPORT

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, my question is for the Minister of Transport. Can he indicate the nature of the inquiry being held or whether any broader inquiry will be held into the recent deaths in avalanches related to helicopter skiing in British Columbia? It is some weeks since I first raised this question.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I do not have anything new to add to my previous answers.

SAFETY MEASURES IN HELICOPTER SKIING

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, I have a supplementary question for the Minister of State for Fitness and Amateur Sport. I would like to know what action the minister is prepared to take on the suggestion made by the Canadian ski patrol system for a meeting of all groups involved in helicopter skiing—I believe that would include at least four federal departments—to discuss safety measures in this sport?

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, provided all of the sport governing boards are also in tune, I will look at it very seriously.

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TRADE

USE OF METRIC SYSTEM

Mr. Bob Brisco (Kootenay West): Mr. Speaker, my question is for the minister responsible for metric measurement, the Minister of Industry, Trade and Commerce. Does the minister subscribe to the suggestions put forward by some people in his department, that the words "kilometrage" and "metrage" replace the common usage of "mileage", "footage" and "yardage?"

• (1450)

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): Mr. Speaker, in going metric, the yard and the foot are terms which would no longer be used. Mileage could still be used, in western Canada particularly, because the land is surveyed by the mile. People can use footage and yardage if they like in their own personal conversations.

Some hon. Members: Oh, oh!

Mr. Horner: But I see no real advantage in their being retained as government terms.

Mr. Brisco: May I ask the minister how he feels about adding to the metric terminology one other word—"outrageous"?

Some hon. Members: Oh!

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LOTO CANADA

STUDY ON SOCIOECONOMIC EFFECTS OF LOTTERIES IN CANADA—INSTITUTION OF LUXURY LOTO

Mr. Bruce Halliday (Oxford): Mr. Speaker, my question is directed to the Minister of State (Fitness and Amateur Sport). Can the hon. lady confirm that Loto Canada is presently investigating the feasibility of instituting Luxury Loto and, if so, why is she not prepared to wait until she has received the report which was requested by her hon. friend for York West for a study of the socioeconomic effects of lotteries in Canada?

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): Loto Canada have informed me that they are, indeed, considering a higher priced ticket.

As to the other part of the hon. member's question, Loto Canada has repeatedly, on a two-month basis, kept close track of who is purchasing the $10 ticket and the socioeconomic area in which they are located. We have every reason to believe that the bulk of those who are puchasing these $10 tickets are in the $15,000 a year and up bracket.

Mr. Halliday: My supplementary is directed to the Minister of Consumer and Corporate Affairs. What steps has the minister taken to follow up the request of the hon. member for York West to investigate the socioeconomic effects of lotteries, and what can he tell the House about his earlier commitment to report to the House the extent to which advertising such lotteries may be misleading?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, I referred the question put to me by the hon. member for York West to a number of experts in my department, who are conducting an analysis.

Some hon. Members: Oh, oh!

Mr. Allmand: We are looking into it because we do not want to talk without knowing what we are talking about—unlike many members opposite.

We were asked to look into this matter, and that is what we are doing. It has been referred to a group of experts, and as soon as a report is available I shall make it known to the House.

With respect to misleading advertising, that matter has been placed in the hands of the director of investigations under the combines act. He enjoys independence of action under the law and will take whatever measures are appropriate.

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SPORTS

ALTERNATE HOST CITY FOR PAN AMERICAN GAMES

Mr. Geoff Scott (Hamilton-Wentworth): Mr. Speaker, my question is addressed to the Minister of State (Fitness and Amateur Sport). In view of increased speculation that Venezuela will withdraw as host country for the 1983 Pan American Games, can the hon. lady bring the House up to date on the situation, and does she still see the city of Hamilton as the automatically designated alternate host city to Caracas?

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): Yes, Mr. Speaker. I should like to thank the hon. member, along with the hon. members for Hamilton East and Hamilton West who have consistently brought this matter to my attention over the last several weeks.

There has been no information on this subject from Caracas, Venezuela. President Herrera is supposed to be making a statement concerning the future of the Pan American Games in 1983 in that country, but we are not yet in possession of any hard facts. I can reassure hon. members who are interested, however, that according to my information, Hamilton is the designated alternate city and, further, the federal government is prepared to confirm the support which was given at the time of the original bid by Hamilton.

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[*Translation*]

ENERGY

INQUIRY AS TO MEASURES GOVERNMENT WILL TAKE TO SUPPLY GOLDEN EAGLE WITH GASOLINE

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, may I ask a question of the Minister of Energy, Mines and Resources which deals with the now well-known refusal of the multinational corporation Exxon to renew its contract with the Golden Eagle refinery in Saint-Romuald, in Quebec. Can the minister tell us whether the representations already made by Petro-Canada will be effective enough to enable the Crown corporation to ensure supplies to the Golden Eagle Corporation? If not, can he tell us what alternative he contemplates to maintain supplies to the Golden Eagle Corporation?

[*English*]

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): This is another example of the situation we have been discussing in the last few days—the diversion of Venezuelan oil intended for Canada.

The Golden Eagle refinery, very close to Quebec City, has been sourcing from Venezuela through two middlemen, the Ultramar Corporation and Exxon Corporation. I believe the refinery has received information that its supplies will continue under that contract until the end of the year, though this is not certain at the present time: we are trying to find out. However, the situation is a good example of the way in which Petro-Canada, making a direct deal with the national oil company of Venezuela, will be able to secure for the Golden Eagle refinery and other refineries, including Imperial Oil, a source of secure oil from Venezuela.

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ENVIRONMENTAL AFFAIRS

FUTURE OF KITIMAT, B.C., OIL PORT

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I have a question for the Minister of State (Environment). It concerns the Kitimat oil port which the minister said a year ago was a dead proposition. Since then, Canada and the United States have announced a joint decision-making process to consider ways of moving Alaskan oil from Canada to the United States, and one of the options is through the Kitimat oil port.

Can the minister tell us why this is still an option in terms of Canadian decision-making as it affects west coast oil ports?

Hon. Len Marchand (Minister of State (Environment)): Kitimat is not an option; it is as dead as dead can be.

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FORESTRY

CATALOGUING OF FOREST RESERVES

Mr. F. Oberle (Prince George-Peace River): My question is for the Minister of State (Environment). I should like to ask whether he is aware of a program in his department—which has jurisdiction over forestry—which, through remote sensing, catalogues and maps forest reserves in this country and in other parts of the world.

Is he also aware that this program cannot function in Petawawa, for obvious reasons, and that the program will die unless he intervenes before the end of this month?

Hon. Len Marchand (Minister of State (Environment)): There was a good deal of chattering around about me when the member was asking his question and I did not hear the first part. I will look at the record later and consider the hon. member's question.

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IMMIGRATION

SECURITY DEPOSITS FOR FOREIGN VISITORS

Mr. Yuri Shymko (Parkdale): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. According to the recent caseload, almost 90 per cent of all visitors from Poland are requested to see that their Canadian hosts place with the deputy minister up to $5,000 as a security deposit.

Could the minister tell the House whether this section of the Immigration Act—which ought to be used sparingly but which is being applied almost universally—is used in the same proportion with respect to visitors from other countries as it is with respect to visitors from eastern Europe?

Hon. Bud Cullen (Minister of Employment and Immigration): Mr. Speaker, I will have to make sure that its application is universal, across the board.

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PENITENTIARIES

STAFFING OF PSYCHIATRIC CENTRE IN SASKATCHEWAN

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I wish to direct a question to the Solicitor General. As he knows, there has recently been opened near Saskatoon a western region psychiatric centre, at a cost of $10 million. At night, with the lights on, it is sometimes confused with the Saskatoon airport. I should like to ask the minister why this institution, which has only eight inmates, has engaged 77 guards and only one psychiatrist.

Some hon. Members: Oh, oh!

Mr. Hnatyshyn: When will the situation be rectified? What is wrong with this institution?

Hon. J.-J. Blais (Solicitor General): There is nothing wrong with this institution, Mr. Speaker. I am glad the hon. member is once again drawing attention to the program of psychiatric services which we have established within the Correctional Service of Canada. He no doubt noticed that last week I issued a press release in which it was pointed out that the psychiatric centre in Matsqui, British Columbia, is receiving international acclaim.

● (1500)

I would be very pleased to provide the hon. member with additional information about the Saskatoon institution. When dealing with a new institution, there are problems in terms of finding staff of the excellence which is required by the Correctional Service of Canada. If the hon. gentleman is interested in providing assistance, we would appreciate receiving it.

Mr. Hnatyshyn: Mr. Speaker, if the minister carries on, people in Saskatoon will think that the Parliament Buildings, rather than a psychiatric centre, have been moved there.

Has the minister given serious consideration to recommendation No. 58 of the subcommittee of a committee of this House with respect to transferring psychiatric services for prisons and penitentiaries to the Deparment of National Health and Welfare, as recommended by that committee and supported by all parties?

Mr. Blais: Mr. Speaker, that recommendation is being very seriously considered. I point out, however, that we are also providing adequate facilities for provincial inmates in Saskatoon. There is an allotted number of beds within that institution for provincial inmates. We are receiving excellent co-operation from the province of Saskatchewan, and I hope the hon. gentleman will give us the same co-operation that we are receiving from the University of Saskatchewan so that the institution will continue to provide excellent service in coming generations.

* * *

PRIVILEGE

MR. ALEXANDER—PAN-AM GAMES—REPLY OF MINISTER OF STATE (FITNESS AND AMATEUR SPORT) DURING QUESTION PERIOD

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I rise on a question of privilege in connection with remarks made by the Minister of State (Fitness and Amateur Sport) (Mrs. Campagnolo), who left the impression that no one but the hon. member for Hamilton East (Mr. Munro) and the hon. member for Hamilton Mountain (Mr. MacFarlane) was concerned about the Pan-Am Games.

The minister has a selective memory because when the hon. members to whom I have referred went to Hamilton the first time in order to make a press announcement with respect to the Pan-Am Games, they would not have dared to go unless they had the support of the hon. member for Hamilton West, who was at the press conference at that time and who gave support. Without my support they would not even have gone to Hamilton. The minister should stop misleading the Canadian people.

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I do not deny in any respect the remarks of the hon. member for Hamilton West (Mr. Alexander) regarding the matter of obtaining the games for Hamilton originally. However, I have not heard one word from the hon. member for Hamilton West about the matter raised by the hon. member for Hamilton-Wentworth (Mr. Scott).

Business of the House

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Grenville-Carleton): Mr. Speaker, if I may return to the game of the House of Commons, I would like to ask the Deputy Prime Minister (Mr. MacEachen) if, in terms of the business for the next couple of weeks, he would designate March 26 as the last allotted day on the list of allotted days. Perhaps he could also tell us the business for the balance of today and tomorrow. If he would also project himself into next week for the purposes of House business, that would be helpful.

Mr. MacEachen: Mr. Speaker, my plan is to continue with the debate on the energy supplies bill today and hope to have it completed, including third reading. If not, we would continue with that bill tomorrow. If there is any additional time tomorrow, I will call the excise tax bill. I had in mind to call the referendum bill, but I will delay that until Monday. That will be followed by the Excise Tax Act.

I cannot be certain about designating March 26 as an allotted day. I may want to allot an earlier date, but I will certainly give the hon. member sufficient advance notice.

Mr. Baker (Grenville-Carleton): Mr. Speaker, some hon. members have expressed some interest in the bill on the order paper affecting Loto Canada; the number escapes me. Is that among the government's priorities? Does the government have any intention of calling that piece of legislation?

Mr. MacEachen: Mr. Speaker, the minister has been urging me to put it on my list at an early date, but I do not propose to call it before the bills I have mentioned.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, in a sense my question is supplementary to the one asked yesterday by the right hon. member for Prince Albert (Mr. Diefenbaker) having to do with the chartered banks of this country. In view of the fact that Wednesday, March 28, if we are still here, will be the twentieth sitting day in this month, and in view of the relevance of that to the present provisions of the Bank Act, can the Deputy Prime Minister (Mr. MacEachen) say whether it is the intention before March 28 to bring down a bill to extend the life of the chartered banks?

Mr. MacEachen: Mr. Speaker, I am surprised that the hon. member is losing his confidence about the continued existence of the Parliament of Canada because he has been convinced up until this moment that an election would not be held until his birthday. I wonder what has shaken that confidence. However, I want to tell him that it is my intention to give notice today or tomorrow about a bill extending the Bank Act.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, as often happens, the Deputy Prime Minister has completely misinterpreted what was said. It was because I still think the election will not be held until my birthday, June 18, that I was concerned that the banks of this country not die. However, I am glad to have notice that their life will be extended.

[Mrs. Campagnolo.]

PRIVILEGE

MR. LEGGATT—KITIMAT B.C., OIL PIPELINE—REPLY OF MINISTER OF THE ENVIRONMENT DURING QUESTION PERIOD

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I rise on a question of privilege. I appreciate that a minister is not obligated to answer a question, but I think he is obligated not to mislead the House in terms of his answer. In this particular instance, the Minister of State (Environment) (Mr. Marchand) inadvertently misled the House. I asked him about the Kitimat oil pipeline proposal. His answer was—and I am paraphrasing—that the proposal was clearly dead. The question was why the proposal was still being considered by the Canadian government with the United States. It seems to me that there was misleading since it is clearly alive, based upon the announcement by the Canadian government that it is in the process of making a decision regarding the option of a Kitimat oil pipeline.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, perhaps I might throw some light on this. As the hon. member who asked the question knows, in law a consortium or a company has the right to apply to the National Energy Board and to make a submission to the National Energy Board regarding the building of a pipeline from Kitimat to whatever other point might be proposed. The hon. member also knows that through a number of policy statements the government has made it quite clear that it does not favour an oil pipeline through that route.

Mr. Benjamin: That doesn't mean you won't do it.

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS ACT

AMENDMENT FIXING PERIOD BETWEEN VACANCY AND BY-ELECTION

Mr. Arnold Malone (Battle River) moved for leave to introduce Bill C-468, to amend the House of Commons Act (vacancies).

Some hon. Members: Explain.

Mr. Malone: Mr. Speaker, this bill would fix a time limit which is shorter than at present for a seat to be vacant. I came into this House after a vacancy created by decease. There had been a lengthy vacancy. I present this bill in order to prevent long vacancies.

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

WAYS AND MEANS

TABLING OF MOTION

Mr. Speaker: I understand that the Minister of Energy, Mines and Resources (Mr. Gillespie) wishes to table a document. Perhaps we could revert to tabling of documents for that purpose.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, pursuant to Standing Order 60 I wish to table a notice of a ways and means motion, and I ask Your Honour to designate the required order of the day for consideration thereof.

* * *

● (1510)

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 304, 810 and 1,110.

[*Text*]

DREE—LUMBER MILLS—N.B.

Question No. 304—**Mr. Howie:**

Since April 1, 1977, how many lumber mills in New Brunswick received DREE assistance and, in each case, what was the (a) nature and amount of assistance (b) estimated number of jobs created?

Mr. Donald Wood (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: Since April 1, 1977, 12 lumber mills have received DREE assistance in New Brunswick.

(a) Incentive Offers under the Regional Development Incentives Program	(b) Estimated Number of Direct Jobs to be Created
$ 265,435	61
435,800	89
81,099	9
30,165	5
767,946	76
208,840	0
462,100	0

NOTE: This reply does not include assistance provided to lumber mills through joint programs financed under the Canada-New Brunswick General Development Agreement.

Order Paper Questions

REPORT—CANADIAN AUTOMOTIVE INDUSTRY PERFORMANCE AND PROPOSALS FOR PROGRESS

Question No. 810—**Mr. Oberle:**

1. What was the cost of the report entitled *Canadian Automotive Industry Performance and Proposals for Progress* commissioned by Order in Council?

2. What is the breakdown of the expenses which made up the total cost of the Report?

3. What were the salaries of the persons involved including that of the Commissioner?

4. Who besides Commissioner Simon Reisman was engaged in the compilation of the Report?

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned:

1. As of December 31/78 $91,624.91

2. Printing (estimated)		$7,500.00
Telephone and Communications		1,062,97
Professional and Special Service		5,825.60
Consulting Services		72,700.81
Rental		4,395.05
Miscellaneous		140.48
3. S. Reisman	$500. per diem	
B. G. Barrow	$300. per diem	
B. E. MacDonald	$250. per diem	
K. Hay	$250. per diem	
4. B. G. Barrow	contract	
B. E. MacDonald	contract	
K. Hay	contract	
D. Arthur	on loan from Dept. of Industry, Trade & Commerce	
P. Lau	on loan from Dept. of Industry, Trade & Commerce	
L. Loewen	on loan from Dept. of Labour	
A. Sulzenko	on loan from Dept. of Finance	

PORT OF VANCOUVER—FLOATING DOCK

Question No. 1,110—**Mr. Crosbie:**

1. Did the government spend $1.5 million or any amount at all in acquiring a detailed engineering design of a floating dock for the Port of Vancouver as announced by the Minister of Industry, Trade and Commerce on January 4, 1978 and, if so (a) what was the total amount spent to date (b) what is the remaining amount to be spent if the project is not yet completed?

2. Is the dock to be owned by the government and, if not, by whom will it be owned?

3. Were the amounts spent by the government to acquire the detailed engineering design direct expenditures or grants and, if not, were they by way of a loan and, if so, to whom was the loan made and under what terms and conditions?

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned:

1. The Crown has entered into a contract with Swan Wooster Engineering Co. Ltd., for a detailed engineering design for a

floating dry dock for the Port of Vancouver. The amount spent to date is $209,640 and the remaining amount to be spent is $1,187,972.

2. The design is to be owned by the Crown but will be used firstly by the Burrard Yarrows Corporation for the construction of this new dry dock.

3. The amounts spent and to be spent are direct expenditures by the Crown.

[*English*]

Mr. Pinard: I ask that the remaining questions be allowed to stand.

* * *

POINT OF ORDER

MR. McKENZIE—DELAY IN ANSWERING ORDER PAPER QUESTIONS

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise to make inquiries of the parliamentary secretary with regard to the very lengthy delay in answering two questions which are on the order paper in my name. One dates back to October 13, question No. 179, which reads as follows:

Are members of parliament entitled to use DOT telex "Comcen" facilities for the purpose of sending political messages to their constituency—

That question goes back to October 13, 1978 and the government has refused to answer it. I have asked the RCMP to investigate and they have informed me that there is no illegality or infrigement of the Criminal Code in the use of telex facilities. So I think we in the House of Commons, including yourself, Mr. Speaker, are entitled to know whether all MPs will be entitled to use DOT telex to send out political messages. If there is no illegality or infringement of the Criminal Code with regard to the use of the DOT telex, we should get an answer from the Minister of Transport (Mr. Lang), and the Parliamentary Secretary to the President of Privy Council (Mr. Pinard) should provide us with an answer as to whether all parliamentarians will be able to send out political messages over government telex facilities.

Second, Mr. Speaker, I placed a question on the order paper on October 27, question No. 414, which reads as follows:

Was Mr. Tony Merchant, barrister and solicitor of Regina, retained by the Department of Justice in the fiscal year (a) 1975-76 (b) 1976-77 (c) 1977-78—

I know this could be an embarrassment to the Minister of Transport and the government with regard to the handing out of special agreements and contracts to the Minister of Transport's brother-in-law, but we are entitled, and I am entitled, to an answer and there is no reason why it should take six months to gather this type of information together. This is another example of government secrecy, covering up and refusing to give information to the official opposition, which means also refusing to give information to the Canadian public. I would like some kind of answer today from the parliamentary secretary as to why he is refusing to answer these two questions which date back to last October.

[Mr. Horner.]

[*Translation*]

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): I did not want to let that excitement subside without replying, Mr. Speaker. I merely want to point out to the House, since some hon. members apparently delight in reading order paper questions now and again, the provisions of Standing Order 39(1)—

[*English*]

It reads as follows:

39(1) Questions may be placed on the order paper seeking information from ministers of the Crown relating to public affairs; and from other members, relating to any bill, motion, or other public matter connected with the business of the House, in which such members may be concerned; but in putting any such question or in replying to the same no argument or opinion is to be offered, nor any facts stated, except so far as may be necessary to explain the same; and in answering any such question the matter to which the same refers shall not be debated.

[*Translation*]

Mr. Speaker, the point I want to make is this: Instead of simply reading the order paper, which we on this side of the House can do and do very well indeed since on the average we reply to 90 per cent of the questions on the order paper every session, certain members often take advantage of a point of order to make petty politics in this House, and I find this unfair.

The hon. member who has just risen read question No. 414—this is the best example that I could give—but he did not read it exactly as it is written. Nothing in this question says that the lawyer involved is the brother-in-law of the Minister of Transport (Mr. Lang). By mentioning in this House that the person referred to in his question is related with a minister of the government, the hon. member is making petty politics. He has used a point of order to read incorrectly a question on the order paper and to comment on it, which is prohibited by Standing Order 39(1), Mr. Speaker.

I have too often been very patient. I have been content to tell about the fantastic work by the government in replying to questions on the order paper by enumerating the great many questions which have been answered very fully and at great cost to the taxpayers and about which the government has found the time to make the necessary research and provide answers.

Mr. Speaker, I can no longer tolerate to hear only about government delays, which are quite exceptional since it is a fantastic average to have been able to reply to 90 per cent of all questions, Mr. Speaker, especially when we consider that in the last few years, thousands of questions have been asked. I find it unacceptable to use a point of order and to abuse deliberately Standing Order 39(1) in this way.

If every day after the oral question period, each hon. member read three, four, five or six questions on the order paper, there would be no end to it. But what is even worse is to comment on such a question, which is strictly forbidden by the standing orders. This is petty politics. It is a fact that we reply

to 90 per cent of all questions asked. Very often the insinuations contained in these questions are shown to be completely unfounded, and members on this side of the House do not have the opportunity and the privilege to read the replies which deny completely the insinuations made by opposition members.

Mr. Speaker, it is an injustice resulting from an abuse of our rules when some hon. members complain that questions on the order paper have not been answered. They know perfectly well that during the session, in spite of the large number of questions we manage to answer, on the average to 40 per cent of the questions. It is exactly the average number of questions that have been answered until now in the present session, and it compares favourably with the average in previous sessions.

Hon. members also know that during the summer recess we can do more work, and we succeed in answering an additional 45 to 50 per cent, which allows us to answer 90 per cent of the questions on the order paper. Then, I consider that Standing Order 39(1) has been seriously abused, and the intervention of the hon. member is a perfect example of this, and I want first to ensure hon. members that we shall continue to work seriously in order to answer in the most comprehensive way possible the largest number of questions in the shortest possible time but, on the other hand, I expect them to co-operate so that they do not unduly criticize the work done on this side of the House, and particularly that they be fair and not abusively comment on facts that often are not included in the questions, by giving explanations that are purely political, and have nothing to do with the facts.

[*English*]

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I was not going to rise until the Parliamentary Secretary to the President of the Privy Council (Mr. Pinard) made his remarks with respect to the tardiness of the government and of the parliamentary secretary who has the responsibility for answering these questions. I know the Parliamentary Secretary to the Solicitor General (Mr. Young) who has been filling in has indicated that the Parliamentary Secretary to the President of the Privy Council has been quite ill, so I do not want to be too hard on him. On the other hand, I take strong exception to the parliamentary secretary's suggesting what individual members of parliament may or may not do in terms of bringing to the attention of the government very serious delays in answering questions which on the face of them can be answered simply, immediately and in a straightforward way.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: The point I want to raise is that 81 days from today will be the last day on which the Prime Minister (Mr. Trudeau) can call an election. He has a maximum of 81 days, unless he wants to break all traditions and precedents. I want to point out to the parliamentary secretary that his performance during the course of the last week when only three questions a day were answered, when there are hundreds of questions on the order paper, legitimate, straightforward, non-argumentative questions requiring factual information from the government, only lends credence to the arguments of those who are suspicious that this government is trying to hold back information because it is not in the interest of the government to bring this information forward.

• (1520)

Rather than indulging in rhetoric, the parliamentary secretary should spend more time convincing the various departments of the necessity of bringing forward these answers within a reasonable period of time. That is his function; that is his role. He would do a greater service to the parliamentary institution, and this particular practice could be utilized by members of parliament in the performance of their duties.

Sometimes members of parliament are discouraged from using this procedure because they know any time they put a question down that the prospect is not that 90 per cent of the time they will receive an answer; the prospect is that 90 per cent of the time they will not receive an answer at all, or the answer will be delayed to such an extent the statistics become irrelevant for them to use.

The parliamentary secretary was not here yesterday, so I brought questions Nos. 207 and 208 to the attention of the Parliamentary Secretary to the Solicitor General (Mr. Young). Those are examples of answers which could be given virtually the day after the occurrence of these particular events. The questions are straightforward. The Minister of Transport (Mr. Lang) is now leaving the House. The minister knows that he has this information within his own department available on a daily catalogue basis. He could tell us whether government aircraft were used by the Prime Minister (Mr. Trudeau) or members of cabinet in connection with the by-elections. The minister could tell us how many times JetStars were used by cabinet ministers and the Prime Minister during the two-month period before the by-elections, but he refuses to do so.

In conclusion, if the parliamentary secretary wants to remain credible in the performance of his duties, in the next few days he should demonstrate it by bringing forward many more answers than he has to this point in time.

Some hon. Members: Hear, hear!

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

ENERGY SUPPLIES EMERGENCY ACT, 1979

MEASURE TO CONSERVE STOCKS

The House resumed from Tuesday, March 13, consideration of Bill C-42, to provide a means to conserve the supplies of energy within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada, as reported (with amendments) from the Standing Committee on National Resources and Public Works, and Motion No. 2 (Mr. Lawrence).

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, when we adjourned this debate at ten o'clock on March 13, my colleague from Peace River (Mr. Baldwin) had the floor. Unfortunately, he was unable to be in the House today. But since we come from the same region, I think I will develop the argument he himself had in mind.

[*English*]

Since the attempt back in 1974 to bring in the Petroleum Administration Act, we have never been so badly served by the Government of Canada regarding a national energy policy. I come from a region which is concerned primarily with the production and distribution of petroleum resources in Canada and with the developing petro-chemical industry of this country. Also, the area from which I come contains the biggest coal reserve region of the country.

As I said in 1970, never have we seen such a bunch of quail flailing before a discharge from the smallest shotgun at this administration in bringing in this act. This act is nothing but a War Measures Act with regard to energy and resources, not only petroleum, natural gas and coal. All the members from the province of Quebec supinely sit in the House while we are considering the powers of the Government of Canada regarding electrical energy. They sit there flatulently because presumably some other part of the country is the concern.

Mr. Gillespie: Has the hon. member read the bill?

Mr. Lambert (Edmonton West): I certainly have read the bill. I read it the first morning it was published.

Mr. Gillespie: It does not sound like it.

Mr. Lambert (Edmonton West): It was as a result of telephone calls I placed that people were alerted as to the contents of this bill. Frankly, the bill is merely a reflection of the international oil marketing agreements to which the country has been privy for many years and to which the country was privy when it signed the agreement with the International Energy Agency in 1974.

The day before yesterday I saw the minister stand in the House and bravely defend the position of the government. At least, he attempted to defend the position of the government with respect to dealing through a third party and alleged profits. At that time the minister did not answer the argument implicit in the question put by the hon. member for Kingston and the Islands (Miss MacDonald). Of course, the minister has not answered and cannot answer whether the government, in dealing with atomic energy, has been far too ready to deal through third parties, to pay secret profits and commissions, and then attempt to hide them from the rest of the Canadian public—

[*Translation*]

—as we say, there is a law for one's friends and another for one's foes. What can you do! You understand what I said. The same thing happens when from time to time you have to speak in English, we know what you mean, this is why it is so easy to express oneself in Canada. I want to tell you, Mr. Speaker, if you believe for one moment that Canadians approve this bill, I wonder why there has been no claim, especially from the Quebec government about electricity. We have seen the report submitted by the Ontario government and it was quite surprising in a way and then again not so because Ontario along with all the other provinces is affected under that bill. British Columbia has coal, oil and natural gas, Alberta has the largest resources of oil, natural gas and coal, Saskatchewan has coal, oil and natural gas, Ontario and Quebec have hydroelectric power and the Maritimes have electricity and other resources, not only past or present resources but also future resources, because the government does not consider that the bill would be applicable only to present conditions. Oh, no, it would also be applicable in the future.

[*English*]

I have known the hon. Minister of Energy, Mines and Resources (Mr. Gillespie) for over 30 years. I know him as a very personable fellow, and I hope he thinks of me as a very personable fellow. But leaving those personal feelings aside, I should like to point out that he is attempting to promote the wrong thing in this House. He wants to set himself up as the super czar of energy. Talk about trying to plug a leaky boat full of holes. In addition, this government had no damned business being involved in most of these things.

• (1530)

My colleague, the hon. member for Northumberland-Durham (Mr. Lawrence), has advanced an amendment dealing with clause 11. When we look at clause 11 we see that subclause (1) really gives us difficulty. It states that "when the governor in council is of the opinion"—and that is good or bad, founded or ill-founded—"that a national emergency exists by reason of actual or anticipated shortages", the governor in council can use the provisions of this measure. I can recall when we had apprehended insurrections. What on earth is going to determine an anticipated shortage of petroleum? The other day when Imperial announced that Exxon was diverting 25,000 barrels a day of Canadian supply pursuant to

an agreement that was in existence, the minister came in here shaking with anticipated chills.

This bill is nothing but a lot of window dressing, and very dangerous window dressing indeed. This clause goes on "anticipated shortages of petroleum or disturbances in the petroleum markets". If the minister wants to talk about disturbances in petroleum markets let me tell him about one. He was a member of this House and will recall the income tax proposals put forward by Mr. Benson in a so-called white paper. Those proposals did more to disturb and disrupt the production of petroleum in Canada than any other act has since, and the minister knows that. The research programs of the petroleum industry were set back at that time by years.

These super chiefs, the super intellects from central Canada who are light years away from the oil industry, have no conception whatsoever of the degree of confidence that is required in order for investment to be made in the petroleum industry. The tax proposals of 1968-69 in respect of resource development in this country set back research and development programs of the petroleum industry in Canada by light years. Before the bill was actually in position it had been changed greatly. Some of the experts who had been advising the then minister of finance regarding resource development taxation had been thoroughly discredited, and only after a great deal of time did we get the industry back on the road.

Premier Lougheed expressed the situation very well the other day. He said that having set down the rules of the game to which the provinces had agreed, now that the provinces were able to make a few scoring points and some progress the Government of Canada wants to change the rules. I suggest this bill is part of that change of the rules.

During the conference in February the minister advanced the same propositions that are contained in this bill. The government wants these changes for anticipated and compelling reasons. This government wants to take control, and it wants to do that when a certain situation exists in its opinion. That must not be allowed.

This bill is a total repudiation of what the Prime Minister (Mr. Trudeau) said on television in his very notorious statement of August 1. He said that it is high time the Government of Canada got its nose out of private business affairs. He said it was time the government pulled out. We know that he said some time before that the marketplace had missed out on its obligations and, therefore, the government had to jump in. Having seen how the Canadian public reacted to that idea, the Prime Minister said last August that it was highly incumbent on the Government of Canada to get out. That was a full 180 degree about-turn.

What the government is proposing in this bill is absolutely dictatorial. It amounts to full control of energy resources in this country. If the measure was aimed only at petroleum and natural gas, then I would be sure of its targets. The targets are not only petroleum and natural gas but include also petroleum feed stocks and coal.

I know the reason behind this facade of the government. I know what lies behind the arrangements this administration wants to put into effect. This is a thinly veiled move by this government to curry favour before an election. What I do not know is which segment of the population it is directed toward. Is it directed toward the Atlantic provinces or Ontario? If it is directed toward Ontario, then I suggest the brief filed on behalf of the Ontario government last week should be a sufficient answer. I think that is a devastating argument that should counter a bill of this nature.

• (1540)

The same may be said of an editorial which appeared in the *Globe and Mail* last Saturday. Where does this minister think he gets his support for this particular bill, except from those backbenchers who are desperately striving to get a handle on something that might give them support during the election campaign? As a result of this particular bill and the statements made by the Minister of Energy, Mines and Resources and Minister of State for Science and Technology, the leader of the Liberal party in Alberta has called for his resignation.

Some hon. Members: Oh, oh!

Mr. Lambert (Edmonton West): The minister may laugh and he may want to dismiss Nick Taylor as a clown, but let him do that within his own party. My own Liberal opponent resigned as a candidate because, as he said quite openly to the Prime Minister in his letter of resignation, he could in no way support the Liberal party's policy in respect of energy, but had to support the position taken by Premier Lougheed. If a province with some 1,900,000 people and over 85 per cent of the petroleum and natural gas production and potential in this country, with possibly 50 per cent of the petrochemical industry in this country, and with, at a rough guess, 65 per cent to 75 per cent of the coal resources of this country, thoroughly rejects the position of this government, hon. members opposite must pause, if they think—

[*Translation*]

—they will take over the resources of other areas of the country. If it is Alberta, Saskatchewan, or British Columbia today, it may well be Quebec tomorrow. We Albertans know very well what reply we could expect if we were to ask for a special deal on paper, asbestos and on any other thing: "You will have to pay the market rate". We are paying the market rate on textiles and other products bought from central Canada and Quebec in particular. I know that the main purpose of this bill is to influence hon. members from Quebec. What do they care if tomorrow, under the provisions of this bill, the governor in council decides that there are market disturbances not only for oil, but also in the use of electricity, if the board created under this bill is not authorized, without appeal, to allocate resources completely disproportionate to the needs and without consulting Quebec. They must examine . . . But agreements will be signed, they say. I know what that means. Anyone who reads the bill will see what powers it gives.

A Caesar is appointed without providing any means of control because, not only do we have vague principles, but it is also recognized that shortages or market disturbances will affect the security and welfare of Canadians as well as the economic stability of Canada. What rot! Will the hon. member be able to determine the standards on which this will be based? And in clause 11—

[*English*]

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

Some hon. Members: Agreed.

Some hon. Members: No.

[*Translation*]

Mr. Pierre Bussières (Parliamentary Secretary to Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, I thank you for allowing me to say a few words on the amendment proposed by the hon. member for Northumberland-Durham (Mr. Lawrence). First of all, I should like to refer to the earlier remarks of the hon. member for Edmonton West (Mr. Lambert) about Hydro-Quebec or the hydroelectric resources of the provinces. The hon. member pointed out to the House that, should this bill become law, the Allocation Board could at one fell swoop take over all the hydroelectric resources of the provinces. I do not wish to say that the hon. member cannot read, Mr. Speaker, but I shall read, if you will allow me, for the information of the hon. members, clause 15 of the bill which deals specifically with this problem. I quote:

The Board may, with the approval of the Governor in Council, enter into arrangements with provincial authorities for the regulation and pricing by such provincial authorities—

Clause 15, Mr. Speaker, does not say "by the Board" but "by such provincial authorities." In the case of electric power resources, this means Hydro-Quebec in Quebec and Ontario Hydro in Ontario. Mr. Speaker, the hon. member is making the same error of interpretation as the witnesses from the government of Ontario who appeared before the committee. There is absolutely no doubt about the meaning of the terms used in clause 15. The hon. member keeps saying no. If I may read again:

—enter into arrangements with provincial authorities for the regulation and pricing by such provincial authorities—

Which authorities? Provincial authorities—so Hydro-Quebec. Listen, Mr. Speaker—

Mr. Lambert (Edmonton West): Read on.

[Mr. Lambert (Edmonton West).]

Mr. Bussières: Reading on:

—by such provincial authorities of the supplies of electric power produced or used within a province for the purpose of reducing the demands upon the available supplies—

Mr. Lambert (Edmonton West): Right there.

Mr. Bussières: Yes, but reducing supplies does not imply a change in authorities, it implies that the reduction will be made by the provincial authorities when they recognize that reduction is necessary to balance energy resources within their province.

Mr. Speaker, if I understand the hon. member correctly, he is suggesting that role or decision would be made by the central government or the board established under this bill, and that is completely wrong. Clause 15 is very clear and specific. The hon. member seems scandalized that the government of Quebec did not echo the ill-timed and unfounded criticisms of the government of Ontario but that is because the government of Quebec took the time to read the bill and the authorities of the government of Quebec, Mr. Speaker, understood what the hon. member is not even taking the trouble to understand. It is quite clear, it is very simple, everything is there and it is quite easy to understand. The hon. member understands nothing and blames the Quebec government for having understood. Well, Mr. Speaker, if the Quebec energy minister took the time to read the bill and to understand it and if he believes that it is good, necessary and well conceived because he can still act within his field of responsibility, I believe that we should congratulate him and criticize the hon. member for suggesting that he has understood everything when, in fact, he understands nothing at all. Mr. Speaker, I believe that the truth must be told.

Mr. Speaker, I have been dealing long enough with a false problem caused by someone who understood nothing. I would now like to come back to the amendment moved by the hon. member for Northumberland-Durham. This amendment aims at deleting subclause (4) from clause 11 of the bill. Subclause (4) provides that there will be a three-day debate when the order made by the governor in council is tabled in the House for discussion by members of parliament. By deleting this provision, we would come back to our normal procedure, which means that once the order is tabled the House would have as much time as it wants to debate it under our standing orders. How long could this debate go on? Perhaps 15 days and even more, according to the time that the House will want to take to discuss it. Mr. Speaker, we all know that such a procedure can last a long time, as may be quite normal in certain cases.

Morever, if we study this bill and look only at its title, it is quite obvious that we are not discussing just any bill; we are discussing an act "to provide a means to conserve supplies of energy within Canada during periods of national emergency". This legislation cannot be enacted at any time according to the whims of the governor in council or board officials. This

legislation will be enacted and implemented only in a case of national emergency.

● (1550)

Mr. Speaker, we are in a national emergency, the order is before the House, it has been discussed for two or three weeks. In the meantime the emergency worsens, conditions can deteriorate and we are still talking. The public often remark that politicians talk and talk but there is never any action. The legislation provides for practical actions. The board will be in a position and will have powers to take those actions at two levels: first the allocation of oil for refining, and second the allocation if needed, through rationing, of refined products.

Mr. Speaker, when faced with an emergency, when the crisis looms, it is too late to ponder whether this is urgent or not. Hon. members will have three days to put their arguments forward as to how they assess this period, this emergency, whether they perceive it as acute or not nonexistent. And after three days of debates, the question will be put automatically.

This means both sides of the House and every party will have ample time to find the most qualified people—and we know there will be a number of them—to state their positions and their party's positions on the emergency we will be facing. And when evidence will have been adduced by hon. members, the House will be called upon to dispose of the motion, to state whether or not it believes there is indeed an emergency and whether the government can or must proceed with the board's work, the implementation of the measures for the allocation of petroleum products. Mr. Speaker, this in my view provides a reasonable time frame. I am convinced that during those three days both sides will have an opportunity to make their views known as to whether there is an emergency. In my opinion suppressing this clause would make us run the risk of getting bogged down in a procedural debate. So, in the middle of a crisis, we could have politicians bickering and arguing at the very moment when there would be a risk and not only a risk but an actual state of emergency, when Canadians would suffer from a shortage of petroleum products. Mr. Speaker, I believe it is our duty as a government to provide for such an eventuality and to do so we have subclause 4 of clause 11 of the bill which sets a time limit to the debates on a given subject after the government has tabled the order.

Mr. Speaker, I would also like to point out to hon. members that when we have changes to propose at a future stage, another order is issued by the Governor in Council. You will find further down in the other clauses of this bill that it provides for this obligation of tabling those orders before the House of Commons. So Mr. Speaker, I think it is judicious and wise to have thought of such a measure, given the very nature of this bill and the situation in which Canadians would find themselves once a state of emergency or crisis in Canada would have been declared. The mechanism will then be triggered following the decisions made by the Governor in Council. Mr. Speaker, I think I have pointed out those main aspects of this bill on which I particularly wanted to draw your attention.

[*English*]

Mr. Howard Crosby (Halifax-East Hants): Mr. Speaker, I welcome the opportunity to speak on the vital provisions of Bill C-42 and in particular to consider the amendments and the amendment proposed by the hon. member for Northumberland-Durham (Mr. Lawrence). The pith and substance of the energy supplies emergency bill is that, in the event of a national emergency by reason of petroleum shortages, the mandatory allocation and rationing provisions can be invoked and made operative.

We must consider the provisions of the bill in relation to this eventuality and ask what constitutes a national emergency of the kind described. We are not without experience in this regard. Most hon. members will recall the difficult time experienced in 1973-74, particularly on the east coast of Canada and the United States. The picture I remember so well is that of a closed service station postered with "no gas" signs. But is that indeed the view of the Minister of Energy, Mines and Resources (Mr. Gillespie)? Does he really believe that we will experience consumer gas shortages and a shortfall in oil supplies to oil refineries?

Throughout February of this year the minister on several occasions gave assurances to this House that, in terms of oil supplies, we were in great shape. The minister spoke of trade-offs of western Canadian oil for a greater share of east coast imported oil. He told this House that we had a tremendous deal with the Venezuelan government: not only did the arrangement guarantee the source of supply, but the oil supplied would be purchased at a pre-emergency price.

He told us about Mexico and the negotiations for their new-found oil supplies. We can dismiss this source of oil supply forthwith because it will not even be on stream for several years. I shall not even ask the minister how he proposed to compete with the United States in purchasing these supplies with our 80-cent dollar as against their 100-cent dollar. Hon. members can be assured of one thing: when the minister speaks of new sources of foreign oil, we will pay for it and we will pay dearly. There is every reason to believe that east coast gas—now well over $1 per gallon—will rise to $2 per gallon if it is refined from foreign imported oil.

Let us consider what constitutes an emergency under the bill. In mid-February the Minister of Energy, Mines and Resources said in this House and elsewhere that the situation is serious but not critical. We should consider why the minister thought the situation was not critical at that point. The minister gave us the reason and it was a very simple one—production in Alberta of Canadian oil was increased to a rate sufficient to feed the swaps for foreign oil delivered to the east coast. This was the device that defused the oil bomb. There was no explosion; eastern service stations did not close down, nor did easterners freeze in our coldest month.

What role did the minister play in this defusion process? Mr. Speaker, I suggest he played no part at all. The producing oil companies and their distribution system went into operation and the situation was remedied by the private sector of the oil industry. When we have an oil emergency it will be because the private sector does not come to the aid of consumers. This means that the government cannot step in and supply the oil that the consuming public requires.

Does this mean there is no role for government in an oil crisis? No, Mr. Speaker; government definitely has a role and a grave and important one. But it must be remembered and carefully considered and realized that the private sector in the oil industry has an equally important role. The private sector must continue to have a voice in coping with an emergency situation, because it is this group that has access to world oil supplies and has the transportation and transmission system to deliver oil products to Canadian consumers and users.

Let us consider the national aspect of an oil emergency. We must remember that the energy problem is not, in a territorial sense, truly national. Alberta and parts of western Canada are rich in energy resources; through the medium of the "west to east" transmission pipeline much of central and eastern Canada west of the Ottawa valley line get the benefit of those energy supplies.

The minister said in this House that one third of Canada is affected by the world oil crisis; now he wakes up and says, "Let us extend the oil pipeline eastward. Let us deliver western energy in the form of oil and natural gas to the east coast." He acts like a person who has just made an important discovery—and indeed he has made a discovery, namely, that the east coast has a special energy problem. It is not national but is related to the geography of world oil supplies; it is only national because it is compounded by national government inaction.

We may well have a national emergency caused by oil shortages, but it is only a national emergency because the east coast energy problem has not been recognized heretofore. Only foreign revolutions and empty refineries and "no oil" signs awaken the government and prompt action.

We ought to look at the action that is possible in the light of the provisions of Bill C-42 and especially the proposed amendments concerning Petro-Canada. Let me say, Mr. Speaker, that on the east coast of Canada oil is energy. Over 80 per cent of the electricity generated in Nova Scotia is fueled by oil, and all of the oil is imported. When you cut off foreign oil supplies to Nova Scotia you do not just close the oil refineries and lose jobs. You do not just cut off gas supplies to service stations and shut down motor vehicle traffic. You turn off the electric power, and then activity grinds to a halt. In Nova Scotia foreign oil is energy!

● (1600)

What must a national government do? First, the government must make absolutely certain that oil continues to flow to the east coast and to Nova Scotia refineries. Second, it must make sure that the refined oil products are so distributed that the economy of the region continues to function. To do this involves a third responsibility, namely, to see that the price of petroleum products must not exceed Canadian prices. The Minister of Energy, Mines and Resources is, surely, Mr. Speaker, aware of all this. But what does he propose? First, Bill C-42 and its oil allocation and rationing, and second the involvement of Petro-Can, or what he likes to call our national oil company.

I am reminded of the remark that was made about the Pope—though I do not wish to be facetious about so serious a matter—when a belligerent party mentioned his intervention. The other party asked "... and how many legions has the Pope? I ask: How much oil does Petro-Can have? How many tankers does it command? What transmission lines does it have in place? Petro-Can has no oil. It has no tankers, it has no transmission lines, and, unlike the Pope, its prayers and good intentions go unheeded by the world powers.

We do not want or need another government agency; we need oil supply contracts, oil tankers, transmission lines, new sources of oil supply and alternative energy resources. If the minister was realistic he would call this national oil agency "Petro-Can't", because it cannot supply petroleum, it cannot produce gas and, if it could, it could not deliver its products.

I would like to speak briefly on alternative sources of energy. What are the alternatives? First, let me trace the more recent energy history in Nova Scotia. Prior to the 1970s a decision was taken by the Canadian government to restrict the importation of foreign oil to the Ottawa valley line. At the same time Canadian oil was made available to central Canada, west of the Ottawa valley line through the TransCanada pipeline. This left Quebec and Atlantic Canada dependent on foreign oil. When the 1970s oil crisis struck, the government moved to extend the availability of Canadian oil to Montreal through the Sarnia pipeline. Again, the east coast was left dependent on foreign oil.

In Nova Scotia during the mid-seventies the cost of oil-fueled electric energy increased dramatically with the escalating price of world oil so that charges for electricity doubled in a short time period. Today Nova Scotia and Prince Edward Island have the highest electric energy and home heating costs in Canada.

While this result was entirely foreseeable, no action was taken. It is important to note that during this period both Canada and Nova Scotia had the benefit of Liberal governments. It may surprise the House to know that this government that brags of its superior attitude toward the provinces was no different with the next to last Liberal administration in Nova Scotia which was headed by ex-premier Gerald Regan.

Fisheries is not the only area in which the Grit government in Nova Scotia fought the federal Grits; they were also in total disagreement on energy policy. Ex-premier Regan refused to co-operate with New Brunswick and the other maritime provinces on energy. The federal government would have backed a maritime energy corporation and would have helped finance important projects in the nuclear energy field. It would have constructed transmission lines to permit maritime provinces to

plug into cheaper hydro power. Also coal mine development and thermal projects might have been accelerated, but the governments argued and a stalemate resulted.

Ex-premier Regan watched expectantly and forlornly for offshore oil discoveries but nothing worthwhile was found. As so often happens, the pie did not fall from the sky and offshore oil did not materialize. It is interesting to note that Petro-Can has jumped into offshore exploration and is apparently rekindling the dream of offshore oil finds. Let us hope it does not become a financial nightmare for Canadians. Now there is a new government in Nova Scotia. It is a more co-operative one, one that has some insight into the energy situation.

We may have reached a new period in the energy history of the maritimes because we now have an energy agreement between Nova Scotia, New Brunswick and Prince Edward Island in which the federal government is participating. As well we have the Maritime Energy Corporation which involves these three provinces and the federal government. And do you know, Mr. Speaker, who the chief critic is of this provincial-federal co-operation, this new Maritime Energy Corporation? It is none other than the minister's old political friend, the ex-premier of Nova Scotia. He says the energy agreement forces Nova Scotia to assume the mistakes of New Brunswick and the federal government in nuclear energy. He says: "Don't extend the pipeline eastward; it will interfere with coal development." I say the minister better straighten him out.

Coal is now more competitive with the cost of oil approaching a price of $20 a barrel. If coal is viable as a source of energy it means a labour intensive industry which is not subject to foreign control. If the minister wants a national energy company he should promote the Cape Breton Development Corporation as "Coal-Can" and pour some of the billions of dollars being used to buy shares in viable private oil companies into coal development.

I have mentioned coal and I should underline the fact that the solution to the world oil crisis and the national oil emergency contemplated by this bill is the establishment of alternative sources of energy. What is meant by that? First, as I have mentioned, there is coal. In the maritimes we have one of the most fantastic potentials, namely Fundy tidal power. Hydro development in Newfoundland and Labrador is also a possibility, but we will have to have the transmission lines in place to carry whatever power is generated through a hydro system. Gas is another possibility the minister has mentioned many times in the House but there is an indication that gas brought to the east coast would cost twice as much as the gas utilized in places such as Toronto.

Finally, Mr. Speaker, let me deliver this message to the Minister of Energy, Mines and Resources. As always, the real answer is: an ounce of prevention is worth a pound of cure. In energy terms, ounces of money spent on alternative energy sources will yield pounds of savings in dollars which would otherwise be spent on foreign oil.

• (1610)

[*Translation*]

Mr. Rosaire Gendron (Rivière-du-Loup-Témiscouata): Mr. Speaker, the hon. member for Halifax—East Hants (Mr. Crosby) drew earlier an analogy between the Pope's legions and the powers of Petro-Canada or the services it might offer. I remember it was Stalin who asked: "How many legions does the Pope have?" It was an attempt to ignore the importance of the Pope in the world. I think his analogy was ill-chosen because everybody knows that even if the Pope has no army he has considerable influence over the whole of humanity. It is demonstrated by the fact that all countries in the world have representatives in Rome to benefit from his services and extensive knowledge.

If Petro-Canada still has no pipeline, liquefied gas tanker or oil resources, obviously it is a tool that the government wants to have at its disposal to ensure a better distribution of our resources and wealth. Had it been left to the party represented by the hon. member, Petro-Canada would never have seen the light. I also noticed that the hon. member for Edmonton West (Mr. Lambert) referred continually to provincial powers over resources.

Rather than launching a debate between the powers of the central government and those of the provinces, I would prefer to consider the interest of the individual, wherever he is living, and his right to equal opportunities and to his fair share of our wealth and resources. If we consider the interest of the individual, we have to conclude that no one would dispute the need for equalization, social measures like family allowances, old age security and others, and the need to share our wealth on some basis.

If we consider this principle from the individual point of view, I do not see why we should not reach the same conclusion when it comes to sharing our vast country's resources. Everybody knows that the individual as such does not necessarily trip over constitutional commas. If he were to freeze in the dark, he would not care if it was under federal or provincial jurisdiction, but would rather ask the governments to act. And I must commend the Minister of Energy, Mines and Resources (Mr. Gillespie) and his parliamentary secretary. I think they did a wonderful job in promoting this aspect. However, I am shocked that measures which for all practical purposes seem rather timid to me should give rise to such long debates and so many objections. So what is it all about? The idea is to make sure that the Canadian who lives in the east can afford as much heating and as many other services as the one who lives in the west. I think both would benefit. Nobody is questioning the general policy the government has come up with in order to ensure our self-sufficiency. It is of the utmost importance, and step by step we will put into place everything we need to succeed. We have here two opposing concepts. Some say we should leave it to private enterprise to reach that goal. Fine. I for one do not belittle the usefulness of private

enterprise. But I find it is quite ill-advised to ignore the complementing role the government must play in serving the interest of Canadians instead of struggling solely for corporate profits, however legitimate they may be, but which may not necessarily meet the aspirations of Canadians. It was on the basis of that principle that the government got involved in the tar sands and created Syncrude to encourage the development of immeasurable resources which, because of the high cost, had not been developed. Similarly, the government is becoming involved in the north through Panarctic and Petro-Canada. Especially for those coming from eastern Canada it might be well to recognize the great potential of those endeavours in order to remedy an unfair and extremely difficult situation of dependence for that area.

Let us dwell one moment on the fact that 15 trillion cubic feet of natural gas have been discovered in the Arctic on Melville Island at Ray Point and on King Christian Island which can be transported south where there is a pipeline; or let us think of the very interesting proposal of Petro-Canada that Crown corporation—should it only be for that—that these resources should be taken south by methane tankers. I should like to deal with methane tankers, and I have made remarks before in the House concerning them. It would be possible to balance supply and demand. It would be possible not only to bring in resources which are indispensable to eastern Canada which, like Quebec, is 80 per cent dependent on foreign oil, and to the maritimes, which are even more dependent, and thus compensate for the absence of natural resources in the east, but also to develop a new technology, cause industrial developments, create jobs on shipbuilding yards and thus eliminate not only the lack of resources but also the unemployment which is extensive.

We must not disregard these possibilities, and were it not for Petro-Canada, such a project would never come true. There comes a time when we must decide whether we want to argue over constitutional issues or serve the public better. And why make such a fuss about a legislation such as this whose only purpose is to reserve larger amounts of supplies in emergency crises for those areas which need them most? Some may say that it is to please Quebec or the Maritimes, but I say that it is to please all those Canadians who have at heart the sharing of resources. Selfishness exists on a collective basis just as it exists on an individual basis, and some Canadians who possess resources feel that they should be the only ones to benefit from them. On the contrary, because there is already a sharing of wealth among the provinces, we say that the state has the duty to ensure our self-sufficiency as well as a better distribution of our resources among the provinces and individuals.

That is not saying we ought to question the very existence of private enterprise. We are aware of the fact that throughout the world, these corporations have resources, assets and contacts which are useful to us as far as our supplies are concerned, but we cannot rely only on their initiative because we have proof that this can run counter to our interests. That is why we must have Petro-Canada and the Energy Supplies Allocation Board in case of emergency. I will not deny that I am flabbergasted that these principles are questioned again, and I cannot see why the House cannot expedite passage of such a sound piece of legislation.

● (1620)

[*English*]

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I want to surprise you by letting you know at the outset that, unlike many of the speakers on the government side, I am going to try to restrict myself to the amendment before us. I know Your Honour will be pleased about that attitude because in the course of this discussion on the amendment moved by my colleague, the hon. member for Northumberland-Durham (Mr. Lawrence), subjects of a wide ranging nature have been dealt with. Granted, they are of some importance. I listened with great interest to the comments of the hon. member for Rivière-du-Loup-Témiscouata (Mr. Gendron) with respect to his concept of self-sufficiency and about how Petro-Canada should operate within our country, but what we are really dealing with is an aspect of a particular bill with respect to allocation of petroleum resources in Canada in a time of apprehended or actual crisis.

I want to bring the attention of the House back to precisely what the terms of this bill mean to our parliamentary system and what they mean as far as we as representatives of the people of Canada are concerned in carrying out, as we should—and the vast majority of us do—the responsibility we have to articulate on behalf of our constituents their concerns with respect to government policies.

If parliament is to be relevant, it must be given the opportunity to deal with important issues. I wonder whether the government is serious about this bill. I refer to clause 11(4). I want to remind Your Honour, if Your Honour needs reminding, of what this clause does. Clause 11(1) reads:

> When the Governor in Council is of the opinion that a national emergency exists by reason of actual or anticipated shortages of petroleum or disturbances in the petroleum markets that affect or will affect the national security and welfare and the economic stability of Canada, and that it is necessary in the national interest to conserve the supplies of petroleum products within Canada, the Governor in Council may, by order, so declare and by that order authorize the establishment of a program for the mandatory allocation of petroleum products within Canada in accordance with this Act.

That actually means "in the opinion of the government". If at any time there is some deficiency in terms of petroleum supply, the government can make a decision and pass an order in council. The moment it passes an order in council the provisions of this allocation bill come into force. Let there be no question about that. This is not an innocent bill dealing with some small aspect of our society. It is a bill dealing with a very important part of our society, that is, energy and petroleum products. There are very far-reaching powers in this bill.

The word "opinion" stands out in my mind, and we as parliamentarians should be very leery about approving legisla-

tion giving a large amount of discretion to any cabinet, executive or government because we as parliamentarians have a responsibility in this chamber to act as a counterbalance to unlimited power being given to the executive of our country. I say that regardless of what political party makes up the cabinet. It is the basis and tradition of our system that parliament and individual members of parliament should have the opportunity to scrutinize government proposals and legislation. Governments should not go unchallenged and do just what they want to do, especially when they bring forward legislation like this in which there are absolutely no guidelines on what constitutes an emergency.

From time to time there have been circumstances in our country which have been deemed by spokesmen of one party or another to be emergency situations. The Chair is called upon with some frequency to rule upon whether from time to time a particular set of circumstances could be deemed to be an emergency for the purpose of setting aside the business of the House. In the course of your activities Your Honour knows how difficult it is to determine exactly what constitutes an emergency, because you are left alone to make that decision. However, in that determination Your Honour at least has the benefit of points of view and arguments from each side of the House as to whether certain circumstances constitute emergencies.

In this bill the government brings forward the proposition that if, in its opinion alone, there is an emergency with respect to petroleum supply and marketing of petroleum, it simply makes a decision and deems an order to be in effect from the moment it brings down an order in council. The government does that with the other reality in mind that its decision will be sustained—because of the nature of our parliamentary system—by its confreres in the governing party.

That is the reality, so where does that leave us? The minister suggests, for example, that somehow this bill allows parliament to consider an order. What do we find in clause 11(4), the subject of the amendment moved by the hon. member for Northumberland-Durham? Clause 11(4) provides the following:

> At fifteen minutes before the expiry of the time provided for government business on the third sitting day following the commencement of consideration of a motion of which notice was given under subsection (2), or at such earlier time as the House of Commons is ready for the question, the Speaker shall put the question forthwith without further debate.

Mr. Speaker, on a matter of national importance, a matter of national emergency, members on the government side sit mute with regard to a provision which would in effect allow only three days' debate in this parliament by representatives of the people of Canada. What is happening to our concept of parliamentary democracy? I know the minister has a long history in the House of Commons. Up until now I have always considered him to be a supporter of the House of Commons and of parliament.

Mr. Bussières: He is.

Mr. Hnatyshyn: I thought the minister did not share the attitude of the Prime Minister (Mr. Trudeau), who is contemptuous of parliament and whose every act since he has been in power has been to limit the powers of parliament and to increase his own executive power and that of the office of the Prime Minister in the presidential tradition. I thought that as a member of parliament of some standing, one who came here as a backbencher and worked his way up to an appointment to the cabinet, the minister would have some appreciation of the tradition of upholding the rights of parliament and the right of people to be heard through their representatives in the course of debates dealing with national emergencies.

As I say the bill provides for three days' debate. After the coming election when there will be 282 members in this House, and when a matter of extreme importance from the point of view of a particular member's constituents is raised, do hon. members understand the limited opportunity a member who is not a front bench member will have to articulate in the House of Commons the concerns of his constituents? He will have no chance at all. If you divide three days of five hours each, or whatever it is—on a Wednesday it is only two hours—by 282, we will not even have an opportunity to rise in our place, if everybody wishes to be recognized, because it would take three days simply to go through that process.

• (1630)

Also what the minister does not address himself to is that we are, in effect, being placed in the position of having the normal parliamentary procedures stripped away from us. What rights do we have in terms of parliament being able to assess whether or not there is a national emergency and whether or not proposals set forth by the government are needed or are legitimate, or indeed whether they are adequate? Where is the right in this bill for the motion to go before a standing committee of the House where independent witnesses can be brought forward, or indeed where the minister or a spokesman for the government can be brought forward to be questioned in detail with respect to the need and requirement for such legislation?

I am not arguing against the general principle of this bill in its broadest sense—that in certain circumstances of national emergency with respect to the energy supply the government of the day should be able to take direct steps in terms of the allocation of petroleum and petroleum products across this country. What I am saying is that I have become more and more concerned since I came to parliament about the tendency of this government to build into its legislation, regardless of the subject matter, a kind of automatic guillotine provision, as this legislation has. Hon. members opposite tell me that this is an emergency kind of legislation, unique legislation, and therefore we should go along with a limitation of the debate to three days since this legislation will only be used at a time of emergency. If there is any time when a bill should not prejudge the length of time parliament should be allowed to debate a matter, it is precisely in times of emergency.

I think all of us sitting in the House will recall that either tomorrow or on the next sitting day we will be debating a bill regarding national referenda. The one reason I mention this is that it will be another bill which has the effect of allowing for referenda affecting the very constitution of our country in which again this government has demonstrated its suspicion of parliament and of the parliamentary process by severely limiting the amount of time that parliamentarians, members representing the people of Canada, will have to debate the fundamental and important issues of our country.

What is this government trying to do? Is it trying to make parliament irrelevant? Is it trying to prejudge every circumstance and saying that from now on "Big Brother is going to look after you"? Is that the mentality of this particular group of people who now govern our country?

I know the hon. member for Gloucester (Mr. Breau) will have an opportunity to speak because he is always brought in. He is a parliamentarian, I will say that. He is here in the House of Commons and he has heard us. I would be interested in hearing what he has to say about this restriction because I know that in his heart of hearts he will not be able to stand in his place with any amount of seriousness and support the provision in clause 11 restricting the right of parliamentarians to deal with this legislation or with this order under the legislation. Under this legislation, before we know the nature of the problem, all of a sudden we will be told we can only debate it for three days. Is this a wise decision?

I want to point out, in case there is any doubt in the minds of anyone hearing or reading this debate, or in fact looking in on us this afternoon, that there is a provision within our rules allowing the government to impose closure on any debate in the House. In case anyone in the House or anyone reading or listening to the debate is uncertain of this provision in our rules, I want to point out that we have Standing Order 75 under which any minister of the Crown may stand in his place and move a motion to the effect that there will be a limitation placed on debate of any business in the House. After a couple of preliminary steps have been taken, that motion to limit and curtail debate in the House in accordance with the amount of time specified by the minister is then considered for two hours and a vote is taken.

In other words, to all intents and purposes the government of the day has the ability, if it thinks it is politically expedient to do so, to limit and curtail debate under our rules. So why does the government now find it necessary to bring in this provision under subclause (4) of the bill, which is the subject of the amendment of my colleague, the hon. member for Northumberland-Durham, which prejudges every issue that will come before us? The government now have the power to curtail debate, so why are they so anxious to prejudge all issues? Is this the mentality of the government? I will not suggest that this is their program, but why, I ask you, is the government prejudging every issue we are going to have in terms of national emergencies in this country relating to energy; and why do they give parliament only three days in which to debate this matter? What is the explanation and where is the minister who should explain to us that provision in the bill? I can only suggest that it is the mentality of the government now—

Mr. Paproski: And of the minister.

Mr. Hnatyshyn: I am very disappointed that the minister takes this attitude on a matter of such importance. I suggest to you, Mr. Speaker, that if the minister really wanted to come to terms with this legislation he would have a different provision in this clause. He would have guidelines to define a national emergency in the most specific terms possible.

Second, I want to bring to the attention of the House another element of the bill which causes me a great deal of concern. One of the complaints that one hears in terms of legislation is against the growing tendency of this government to bring in legislation that has a very arbitrary element. What concerns me about this bill, and about this clause which is the subject of the amendment, is that it gives the government wide arbitrary powers in terms of the allocation of petroleum and petroleum products in our country for an unlimited period of time. Because while clause 34 of the bill provides that the order under clause 11 gives the power of allocation to the board set up by the federal government, if it wants to extend that power at the end of the 11 months period, all it has to do to keep it on an indefinite and ongoing basis is to reissue an order in council at the end of the three months period, put it before parliament for three days, and they are back in business again.

● (1640)

That is a very legitimate objection to this particular procedure in the bill, and it is why I support wholeheartedly the amendment put forward by the hon. member for Northumberland-Durham.

The restriction we put in this bill now has no relevance to what might happen in the future. Perhaps a debate will come forward on a national energy emergency which will require only one day of debate, no debate or unanimous consent. On the other hand, perhaps there will be circumstances in terms of a national energy emergency which will require, in the interests of the government of the day, the fullest possible discussion. Why is this arbitrary three-day period being put in the bill now? Does the government not understand in terms of this kind of legislation that we, as parliamentarians and representatives of different parts of Canada, might be able to assist the government to deal better with a national energy emergency? Does the government not see that alternative? What type of help will the government receive under this procedure, as arbitrary as it is? What type of assistance will the government receive from parliament? That tells the lie of this particular piece of legislation. It demonstrates as much as anything the fact that the government reflects its fear of parliament in this piece of legislation.

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. member that his allotted time has expired. He may continue with unanimous consent. Does the hon. member

for Saskatoon-Biggar (Mr. Hnatyshyn) have unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, when we look at the world scene and at the implications of Bill C-42, we must reflect upon the past in Canada. As we look at our past, starting in 1947 Canada had no oil and gas industry. In February of 1947 Imperial Oil, of which we have heard so much in the last few days, brought in the discovery while at Leduc, Alberta, and set in motion one of the greatest industrial supplies of oil which the country has ever had.

It has served very well our needs for development and for crude oil and energy in this period of time. In fact, the industry moved so successfully during the course of those years that pipelines were built to bring oil to market. Also natural gas lines were built to bring Canadian natural gas to markets. We arrived at a point in the middle seventies where Canada was somewhat more than self-sufficient in oil and gas. We were able to export volumes which at that time made an important contribution to our balance of payments, to our exports, and at the same time make a very important contribution to our neighbour, the United States.

In the middle seventies we reached a point where we had something in the order of 1,800,000 barrels a day of production. This included natural gas liquids, pentanes and other petroleum liquids. But now we have cut back to something in the order 1,600,000 barrels a day, and we will come down a great deal further. If we project into the very early part of the 1980s, we are told by the National Energy Board, and by most of those who make these projections, that the country will face imports in the order of 50 per cent of its crude oil supply.

I do not think anyone in the House, or in Canada for that matter, would disagree that a very serious situation is facing us in the future. It is not a problem which does not have solutions. There are some solutions, to which I will direct my remarks a little later. However, as I reflect on the events in the House in the last few days during oral question period and this debate, I must ask: What is the minister trying to do? I know hon. members on this side of the House are asking the same question. I maintain the minister is deliberately misleading Canadians. I do not know why. Is it deliberate? The minister is crying wolf. He is attacking everyone in sight, which is his style and that of his predecessor. But these problems will not be solved by attacking people. He attacked the industry, the provinces, the premiers and a lot of people who made a contribution. He took a swipe at the province of Alberta.

It is interesting to note in this particular year, if there is any question about what that province is contributing to the rest of Canada, just what Alberta is contributing. I do not think the citizens of the province of Alberta are complaining about this. In fact, they are happy to make this contribution. But it must be recognized that the export tax at the present time on crude oil, which picks up the difference between what the province and the producers of Alberta receive and the international price, is yielding something in the order of $5 a barrel to the federal treasury. That money is being taken from the federal treasury to subsidize Canadians in the eastern part of the country. If that total is calculated over the period of a year, in 1979 the province of Alberta through this particular amount will lose some $2 billion which will be distributed in the form of subsidies to the rest of Canada. Because this has been going on for a number of years, we can look at the past and see that the total up until now is something in the order of $14 billion to $15 billion. I think that kind of contribution should be recognized by a minister who goes on the attack.

Perhaps the minister can tell us why he is taking this approach to things. If the minister was constructive, he would be giving us some of the solutions. Perhaps his problem relates back to the constitutency in which he was last elected. I understand that perhaps he is concerned about his chances of re-election there.

The other aspect of the minister's approach which concerns me is his escalation of Petro-Canada into the solution. Petro-Canada is a reality; it is in place. All Canadians hope to goodness that Petro-Can finds some oil. Everyone is pulling for them because we need the oil. Petro-Canada has huge resources. The government has backed them to the hilt. Presumably Petro-Canada has a chance to find some oil and gas. I think everyone here would agree that if Petro-Canada finds oil, it would be for the good of all. I think the minister is misleading Canadians by leaving the impression that Petro-Canada will solve the problem. Petro-Canada is only one of many, many companies. If the minister overlooks the private sector, which he seems to be doing, he is telling people that the problem will be solved by this government oil company. Petro-Canada may or may not be the solution. Many people would say that Petro-Canada is the problem. In any event, if Petro-Canada is part of the solution, it is a very modest part of the solution, even if and when the company is successful.

Why is the minister escalating this whole question? I think it is for political purposes. Perhaps the government wants to go into an election and be able to blame Exxon and Alberta. The government wants to point to this energy question and place itself in the position where it is everybody else's fault. The government is trying to be on the side of motherhood at the same time as prejudicing future supplies.

I do not intend to say much about Venezuela, but I think the minister owes us an explanation. The fact of the matter is that there is no surplus light oil in Venezuela. The contracts Exxon has there are ongoing ones which are called "evergreen"; they are renewed year after year. If the minister buys oil in Venezuela, it will be heavy oil. Heavy oil is not too desirable because it does not suit Canadian refineries. The minister has an obligation to explain to the House what oil he will buy. Certainly we can reflect upon the fact that the last time the government bought oil, Mr. Goyer bought it overseas at twice the price. Also the minister has an obligation to tell us what price he will pay. These are two questions which require answers.

We have security of supply, we have supply, and we have price. One of the facts about security of supply is this, and I hope the minister will take the opportunity of answering, if he will listen for a minute. The fact is that if all the oil companies are directed to buy their supplies from Venezuela, then it seems to me we have cancelled our insurance. We have an opportunity through the pools that large oil companies in the world will have to do some switching of supplies. We have some opportunity of benefiting when in fact our principal sources are cut off.

● (1650)

The minister seems to be tearing up that insurance contract. I want to know what happens in the future if the Venezuelan supply collapses. Nobody today can give us a very confident picture of Venezuela continuing to export its volumes. In fact, there is no doubt that Venezuela has cut off probably one third of its production in the last three or four years, and there is every reason to think it is going to cut it in the future. Why is the minister trying to give us the impression that he is going to buy oil from a country that has cut back and is unlikely to have any supplies available for him?

I do not think anybody cares if Petro-Canada can buy oil somewhere else from a new source, perhaps Mexico or China. I would say, good for it. If it can turn up some new supplies I do not think we would be anything but pleased. But to tell the House and to let us think that he is going to do something in Venezuela certainly requires a great deal of explanation by the minister. In fact, all he is talking about is the shortfall on the part of Imperial Oil amounting to 8,000 barrels a day, and the minister knows that is not a drop in the bucket.

The other reality in the world oil industry today relates to price. OPEC countries have, because of shortages, increased prices. Just a year ago Iran was considered a very stable source of supply. Who is to know what Venezuela, Kuwait and even Saudi Arabia could do next? Saudi Arabia has been considered a moderate in the oil producing world. It has played an important role in keeping price escalations reasonable. What is more, today it is producing something in the order of 8.5 million barrels a day and has a capability of probably 11.5 million barrels a day. With more drilling it could probably produce 13 million or 14 million barrels a day. That country today has the power to control the world's oil supply, and in that sense its stability is far more vital than the stability of any other oil producing country in the world. However, even Saudi Arabia, and Kuwait as well, moderates in the oil producing world, are raising their prices. Today the spot price of oil is up anywhere from $1.50 to $3 a barrel. Our landed price of OPEC oil in Canada now exceeds $17 a barrel, and some spot shipments are selling around the world at $25 a barrel.

The other reality is that the price is going to continue to go up. I recently had the opportunity of chatting with some of the world's leading petroleum economists who told me we had to think in terms of an 8 per cent to 10 per cent a year increase in oil prices. There will not be any more freezes. The OPEC countries did have a freeze for a while. If we take the $17 barrel price today and add on 10 per cent a year through 1985, which is not very far off, my calculation is that the price will be in the order of $30 a barrel. That is a very serious consideration, not only to us but to all the developing countries in the world which in fact are suffering much more from this situation than are we.

We must recognize that we are going to have to share some of our oil. We have made some strides in cutting back on our consumption, but we have this minister running around and putting the arm on somebody in order to recover the 8,000 barrels a day which have been cut off. I do not know where that oil went, but we have signed an agreement with Denmark, Germany, Ireland, Italy, Japan, Luxembourg and many more countries to co-operate when it comes to shortages. Suddenly 8,000 barrels a day, and it was a little higher to begin with—

An hon. Member: A great deal higher.

Mr. Bawden: —is going to some other country, probably one of those I have mentioned, and the minister is now saying: "To hell with those other countries, we do not care what they get". I think the approach of this government is entirely wrong.

This bill contains a lot of powers. I think my colleagues on this side of the House have all said we recognize that some reasonable powers are good. Without getting into the reasonableness of the powers, I would like to get into the question about the reasonableness of the man who is going to exercise these powers. He is the minister sitting across the way in the government of the Prime Minister (Mr. Trudeau), and history has proven that we cannot trust those people with powers, any more than we can trust them with a gun. History has proven this, Mr. Speaker, and has proven that the industrial people in Canada do not have confidence in this government or this minister. We have much less confidence when we look at the powers he is asking for now.

Until this government, the former minister and the present minister, got into the act we were self-sufficient. Since they got into the act everything has gone downhill, everything has become worse. Everything will continue to get worse if they do not change their attitude. This government is bringing in negative legislation. Everything we hear from the minister is negative; he is going to take control, he wants more power, and everything in those powers is negative.

I say to you, Mr. Speaker, that this is also a problem in the United States. Just two years ago Mr. Carter came in with his great tax programs, but they had nothing to do with supply. They all had to do with consumption. That is good because we have to conserve, but there has been no regard for supply.

If this minister is really serious about what he is saying, he should jump to his feet and tell us about the northern regulations. We have some of our greatest reserves in the Arctic frontier. As of February 13 there were five drilling rigs working in the Canadian Arctic north of 60. A year ago there were 11 working, more than twice as many, and the year before that there were something in the neighbourhood of 20. We now have 25 per cent of that former activity in the Arctic today. I hope the minister will respond to that fact because

that is an indication that this government is playing politics with a very important commodity in this country. This is a cold country and our entire economic development depends on energy. If we do not have energy our economy slides.

As for exporting energy or giving some to our friends in the United States, I suggest to you, Mr. Speaker, that is very important. We must remember that we are exporting something like 70 per cent to our best customer, the United States. If the U.S. economy is starved because of energy or fuel, their economy will not be healthy and they will not be in a position to buy our manufactured goods. We in turn will lose more jobs.

I suggest that this question of energy is very much a question that is interrelated among nations. We on this continent cannot get along if we do not interrelate our activities and our security of supply. Most of the countries in the western world who are part of the International Energy Agencies feel the same way.

In the past few years we have experienced a situation during which the rules have become confused and taxation has been confusing. The whole matter has been so disorganized that there has not been any progress. This government has been dealing with the United States and with Alberta. I say that the government should get on with this job, bring in the legislation and let us get the northern regulations into place. There are some guidelines and the people have a rough idea of what is going to happen, but there are no regulations.

This is much like the budget situation. We have had a budget but where is the budget legislation? All of the tax provisions encouraging Canadians to invest in the oil and gas industry expire some time in June. Are we going to have a budget bill put before us before then? These are the kind of positive things to which this minister has to respond, instead of giving us all this gobbledygook about what he is going to do to control this and that, to chase Exxon and chase the rest. This is a red flag before a bull. I was brought up on the farm and I can tell you that when you want to operate on a horse you bite its ear. This minister is biting everybody's ears in this country. I wish he would get on with the job.

I have one or two other things to say. The world's oil supply is declining. The fact of the matter is that as we reach the middle part of the 1980s supply will be shorter and shorter each year. The question is, what do we do about this? We in Canada have probably some of the greatest reserves in the world. We have the Alberta oil sands, which is a fantastic reserve. I guess we have a couple of hundred billion barrels that we can develop there. I suggest that is equal probably to the reserves of Saudi Arabia, which are about 180 billion barrels. What are we doing about those reserves? This consideration has been going on for years and years and years and we do not yet have any answers. We do not have the oil plants coming on.

● (1700)

Mr. Deputy Speaker: Order, please. I have to interrupt the hon. member because his time has expired. If he needs only a few seconds to complete his remarks, I could perhaps not see the clock.

Mr. Bawden: Mr. Speaker, if I could have another 60 seconds, I will conclude by saying that we need leadership today. I know all the political sides to this question, but we must drop them. The time is now. Canadians should know, as does the minister, that it takes five years to 15 years, probably an average of ten years, for any major energy project to get on stream. That ten-year projection means that we must act now. The future of our country is at stake. Our survival is at stake. We must stop playing politics and get on with finding and producing energy and putting the rules in place. Let us have leadership, please.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Carleton-Charlotte (Mr. McCain)—Transport—Arbitrary withdrawal of rail service for certain commodities; the hon. member for Frontenac-Lennox and Addington (Mr. Alkenbrack)—Energy—Cash incentives program to promote development of alternate sources of energy; the hon. member for St. Boniface (Mr. Hare)—The Canadian Economy—Findings by CSIP—Government action thereon.

THE ROYAL ASSENT

[*English*]

Mr. Deputy Speaker: It is my duty to inform the House that I have received the following communication:

Government House
Ottawa

March 15, 1979

Sir:

I have the honour to inform you that the Honourable Jean Beetz, Puisne Judge of the Supreme Court of Canada in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 15th day of March, at 5:30 p.m. for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
Edmond Joly de Lotbinière
Administrative Secretary
to the Governor General

It being five o'clock p.m., the House will now proceed to the consideration of private members' business as listed on today's order paper, namely private bills, notices of motions (papers), public bills. There being no items under private bills on the order paper, the House will proceed to notices of motions (papers).

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

GOVERNMENT CONTRACTS WITH FIRMS AND INDIVIDUALS OTHER THAN CROWN CORPORATIONS AND AGENCIES

The House resumed consideration from Thursday, December 14, 1978 of the motion of Mr. McKenzie:

That an order of the House do issue for a copy of all government contracts, excluding Crown corporations and agencies, with Canadian firms and individuals in the years 1976 and 1977.

Mr. Deputy Speaker: When the House previously considered this motion, the hon. member for Wellington-Grey-Dufferin-Waterloo (Mr. Beatty) had the floor.

An hon. Member: Mr. Speaker, he is not here.

Mr. Gilbert Parent (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, the continuation of debate on this motion permits me to speak about the openness of the Department of Supply and Services' contract system. It is vital that hon. members of the House and all Canadians are made fully aware of the underlying principles of fairness and equity which guide the operations of the supply administration in carrying out its prime objective of providing or obtaining the goods and services essential to government programs at a fair and reasonable price.

In the achievement of this objective, the supply administration ensures prudence and probity in the expenditure of public funds and an equal opportunity for Canadian small business and industry to do business with the federal government. The openness with the supply administration contracting systems guarantees that full information on all contracting is available to potential suppliers on each procurement action.

How do we ensure that there is an equal chance at getting these contracts for all people in Canada who have the supplies and can give us the services we need in this particular department? To ensure consistency and equity in the contracting process, the supply administration generally uses three methods to solicit bids from the suppliers. I will name the three methods and then give an explanation of what they mean. First of all, there are the invitations to tender, secondly, requests for proposal, and requests for quotation.

An invitation to tender is employed to solicit bids from two or more suppliers where specified criteria were known and adequately defined. In other words, when we know the specific type of material or service that we need—and we know this from past experience or from studies made in advance—we then put out an invitation to tender. A request for proposal is employed in competitive situations where requirements cannot be adequately defined and, as a result, the selection of a supplier cannot be made solely on the basis of the lowest priced responsive bid and in single or sole source procurements with an estimated value over $5,000. A request for quotation is intended to provide a fast efficient method for the processing of lower dollar value requirements; that is to say, those requirements of a value not exceeding $5,000.

The last two basic approaches are modified slightly to achieve necessary efficiencies in the area of low dollar value contracting. Once bids or proposals have been received, the work of evaluation and, in many cases, negotiation begins and then the ultimate contract is awarded. The policy of the department is to have public openings on all invitations to tender for which a competitive bid solicitation has been issued. This action prevents the consideration that there is anything illegal or underhanded. The bids are opened publicly and any interested parties, such as the people who are bidding or their attorneys, may attend to assure that everything is in order.

However, the work does not stop there. Once the contract has been awarded, the supply administration is responsible for contract administration which involves ensuring that the terms and conditions of the contract are strictly followed. The information on bids solicitations and responses is recorded and made available to suppliers in various forms which I will now describe.

The Department of Supply and Services regularly publishes two bulletins, "The Weekly Bulletin of Business Opportunities" and "The Research and Development Bulletin". In "The Weekly Bulletin of Business Opportunities" is contained all the contracts awarded to Canadian firms on behalf of federal departments or agencies in the amount of $10,000 or more for the week preceding its publication. The bulletin gives the commodity and file number, the contractor, the customer, department or agency and the value of the contract. In addition, the total value of contracts awarded is given along with a list of the top suppliers.

What could be more forthcoming? What could be more above board? Contracts classified for security reasons are not included in the list of contracts awarded, for obvious reasons. This bulletin is distributed to suppliers on the mailing list, to the media and to all members of parliament who have indicated, after receiving an offer to subscribe, that they wish to be on the mailing list. In other words, the information is public and is freely and widely distributed to any interested party.

• (1710)

It is still incredible that, in spite of the availability of such information, hon. members of the opposition continue to distort the facts concerning government contracting activities. I refer here not only to these facts but to others that hon. members alluded to in a note sent to me a short while ago which was not exactly in accordance with the facts as I understood them when I rose to speak. When these particular things are alluded to, I think we should have more warning so that we can take steps to have the necessary information available to counteract such statements.

I will give two recent examples of government contracting activities. In the House of Commons on November 16, 1978, the hon. member for York-Simcoe (Mr. Stevens) alleged that a purchase of 460,000 boxes of paper clips at a cost of $44,000 was a weekly order for government consumption. In fact, this purchase of paper clips was for the total federal government's requirements, nationwide, for a 12-month period. The order was distributed in varying amounts to supply centres in the Atlantic region, Quebec region, national capital region, Ontario region, western region and Pacific region, for subsequent issue to federal government offices and agencies as required. What could be more of a distortion of the facts than to allege we would spend this money for this type of material for such a short time?

The second example concerns the member for York-Sunbury (Mr. Howie) who on March 12, 1979, in the House of Commons wrongly accused the government of charging a $292,440 award to Decision Dynamics Corporation, for an evaluation study of gun control legislation to the science budget of the Department of Supply and Services and not to the Department of the Solicitor General. In fact, the "Weekly Bulletin of Business Opportunities" of February 23, 1979, clearly states that the Department of the Solicitor General is the customer for this contract, and therefore pays the bill, not the Department of Supply and Services.

Another public and freely distributed document available from the Department of the Solicitor General and pertaining to contracting activities is the "Research and Development Bulletin" which appears in the second week of each month and contains four main sections. The first is the "Science Procurement Update" which covers developments in science procurement and other science topics of interest; and second, projects for which proposals are expected to be invited. This section describes selected research and development requirements for which the science centre of the Department of Supply and Services expects to solicit proposals.

I hear the hon. member for Edmonton West (Mr. Lambert) interjecting that he does not get this bulletin. I will see to it that it is delivered to him in both official languages so that he can keep up with things.

Mr. Paproski: A point of order, Mr. Speaker. If the hon. member wishes to refer to me, I wish he would do so as the hon. member for Edmonton Centre instead of Edmonton West. My colleague is from Edmonton West. I would appreciate it if he would change that reference and make sure I am referred to as representing Edmonton Centre. Next year it will be Edmonton North.

Mr. Parent: I apologize, Mr. Speaker. I thought the hon. member for Edmonton Centre (Mr. Paproski) was moving to Edmonton West, so I stand corrected; it is Edmonton North. I would not want anyone to refer to my hon. colleague as not being where he should be, wherever that is.

The third section to which I am alluding is a statistical summary which lists contracts awarded by quantity and amount, their distribution by organization type, location and client department; and, finally, contracts awarded during the previous month. For each contract there is a short description of the work, the value, the name of the client department and the name of the contractor or principal investigator.

Periodically, the "Research and Development Bulletin" will carry a section of unsolicited proposals which are unique proposals from the private sector in support of government science missions. It will contain aggregate statistics on the number, type and status of unsolicited proposals received by the science centre during a certain period. Also, this section will have a summary of all contracts awarded during that period as a result of unsolicited proposals.

Incidentally, this bulletin is printed commercially under contract. This also went out on tender when we were first beginning to do it.

The "Research and Development Bulletin" receives wide distribution to universities, private and public research bodies and individuals, and customer departments. I can testify to this personally because in my riding of St. Catharines, where Brock University is situated, professors have written to me on many occasions about specific contracts which were let as a result of this policy. They told me they were satisfied that it was done on a fair and equitable basis for all universities across the country.

In addition to the two valuable regular publications I have just described, the supply administration has a well established supplier relations activity to ensure that all relevant information on contracting is provided to businessmen. In addition, the supplier relations function ensures the provision of information on contracts awarded to the House, other government departments, other governments, political party research offices and the public. In carrying out this function, supply administration officials interview representatives of companies visiting or corresponding with the department, make presentations to businessmen at industrial seminars, and organize visits of representatives from other countries and trade missions of suppliers from provinces.

In the last two months one of the seminars was conducted in the city of Calgary, in the latter part of February. One of our colleagues from Quebec attended it.

Mr. Paproski: And did a great job.

M. Parent: The hon. member for Edmonton West I presume was there because he acknowledges the member who was sent,

the hon. member for Sainte-Marie (Mr. Dupont), who did a great job. I am sure the hon. member for Edmonton West knows what he is talking about—I am sorry, I mean the hon. member for Edmonton Centre—when he recognizes the quality of the hon. member for Sainte-Marie.

Supplier relations is an internal responsibility of each line organization and, in addition, the executive secretary of the supply administration has an over-all responsibility in this regard and carries out liaison with the small business secretariat for the supply administration's involvement in the small business program. This liaison also includes other organizations such as the Canadian Federation of Independent Business and discussions with industry on subcontracting activities particularly related to small business.

The supply administration attempts to give all business—big or small—the same chance at government contracts while getting the best value for Canadian taxpayers' dollars. This is one of the basic premises with which we must operate. The basic idea behind this is that all qualified businesses in Canada should have equal opportunities to win government contracts. Generally, large and medium-sized firms have learned to do business with government through experience. However, many smaller Canadian firms are often unaware of how to become government suppliers. With this in mind the supply administration has launched a continuing program to generate awareness of government contract opportunities. This clearly shows our intent and success in providing relevant contracting information to the public.

● (1720)

Now I will deal briefly with the second possible area of concern which may arise from recent comments by the Auditor General on contracting in government. On this issue let me simply quote the Auditor General's statement in section 9.112 of his 1978 report. He says:

> In general, contracting arrangements in Supply Administration are entered into with due regard for economy.

The contracting tradition of this department and its record regarding prudence and probity, fairness and equity to suppliers and due regard to economy is well established within the business community of this nation. I refer to big and small business right across Canada.

While I am on the subject of the Auditor General's report, I would like to take this opportunity to reply to the remarks of the hon. member for Wellington-Grey-Dufferin-Waterloo (Mr. Beatty), as reported in *Hansard* at pages 2142-2143 for December 14, 1978 pertaining to the use of competitive and non-competitive tendering.

From the statistics presented in section 9.4 of the Auditor General's report it has been widely interpreted that approximately 50 per cent of the contracts, both in quantity and in value, in the Department of Supply and Services are awarded without competition because many DSS contracts are designated in our statistical reporting system as "sole source", "selected source" or "no substitute". This misinterpretation stems from a lack of explanation provided in the Auditor

General's report about the various selection methods used by the supply administration in its contracting procedures.

For example, under the government contracts regulations, section 8(b) permits entry into contract without inviting tenders under $15,000. The supply administration, however, has a much stricter interpretation of this regulation and has always followed a policy of either inviting tenders or insisting on a competitive quotation which can be equally as competitive or rigorous as the formal tendering process. As evidence of the success of this approach for 1976-77, in the contract range from $0 to $2,500, 70.6 per cent of the documents were other than "sole source", "selected source" or "no substitute" and in this range a total of 226,022 contracts were awarded. This represents 80.2 per cent of the total number of contractual documents issued by the supply administration. This shows that we take great care to award these contracts on a fair basis.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but his allotted time has expired.

If the hon. member for Winnipeg South Centre (Mr. McKenzie) speaks now, he will close the debate.

Mr. Harquail: Mr. Speaker, I rise on a point of order. If I understand your comments correctly, Your Honour has just indicated to the House that, in accordance with the proceedings under this motion, we would have five minutes of reply from our side and then the hon. member would have five minutes to address himself to the motion and that would terminate the debate. If I may I would like to make a contribution at this time, following up what my friend, the hon. member for St. Catharines (Mr. Parent), has talked about at great length.

Mr. Deputy Speaker: First I should clarify the point of order raised by the parliamentary secretary. Standing Order 48(2) provides that a minister of the Crown be allowed to speak for five minutes at the termination of the 90 minutes allowed for the debate, following which the mover of the motion may speak for not more than five minutes.

I have looked through the precedents and found that this point has never been contested in the past. The only time it was brought to the attention of the House was on April 17, 1975 when the then Acting Speaker mentioned that the only way the parliamentary secretary could speak after the 90 minutes allowed was with unanimous consent. The House gave unanimous consent to the then parliamentary secretary to the minister of justice, which did not create a precedent.

In my opinion, a minister of the Crown is entitled to speak under this provision. I might add that if a parliamentary secretary is allowed to speak for his minister, it is not mentioned in Standing Order 48(2), in general at least. In this instance the Standing Order is precise. But there is nothing to prevent the parliamentary secretary from speaking at this time to refute whatever he wants to refute because we still have a further eight minutes of debating time left. This would allow the mover of the motion five minutes upon conclusion.

[*Translation*]

Mr. Prosper Boulanger (Mercier): Mr. Speaker, I want to speak to that. In view of the few minutes left, I might not be able to go into as much detail as I would have liked. As I will be referring to notes that were prepared for me in English I will be speaking mainly in English about the cost of the documents.

[*English*]

The cost of tabling the contract documents as requested by the hon. member for Winnipeg South Centre (Mr. McKenzie) would be excessive. In our view, the existing process of disseminating contracting information to the public has significant benefits in terms of prudence and probity in the use of taxpayers' funds and equity of opportunity for interested suppliers. For example, the supply administration's contracting system encourages government agencies to take advantage of the DSS policy to buy if something can be bought more effectively and cheaply in the private sector than it can be "made" within government. By wide dissemination of contracting information and opportunities, business is encouraged to increase its share of activity in providing goods or services which the government may have provided in the past. I will describe a number of examples of make or buy initiatives that are well known to Canadian suppliers.

Take printing for example. Printing encompasses the two distinct modes, the "make" manufacturing printing performed in the main plant, Hull—

Mr. McKenzie: Mr. Speaker, I am somewhat confused by your ruling. I understand we are awaiting a call from the Senate. Will I be allowed my five minutes of debate this afternoon? Will a vote be called? If there is a call from the Senate, does that stop the debate and therefore preclude me from having my five minutes of debating time?

Mr. Deputy Speaker: I cannot tell the hon. member when the messenger will come to the House. If a messenger were to come now, the debate would have to be stopped and whatever number of minutes there are left—and it is some six minutes, I believe—would have to be allowed after we return from the Senate, giving another five minutes to the hon. member. If that brings us past six o'clock, this debate would have to be continued at another time. So I cannot give a clear answer to the hon. member until I know exactly when the messenger is coming.

● (1730)

Mr. Hnatyshyn: I have not researched this point, Mr. Speaker, but it would seem to me that, in accordance with the historical traditions of this House, if the messenger comes at a time that is inconvenient to us, we have no obligation to accept the message. It seems to me the business of the country should take priority, that the rights of commoners should take priority over any message which comes prematurely. In my view, this debate should be allowed to proceed to its logical conclusion, which would be reached before 5.45 p.m. If the messenger happens to be listening, I would think that that is the time at which he should come here.

Mr. Deputy Speaker: If I were to follow the suggestion made by the hon. member, I am sure the House would find itself in very difficult situations, because there would always be one member who would not be ready to open the door to the messenger, so it has been the practice that when the messenger comes we open the door.

Some hon. Members: Question!

Mr. Paproski: Still on the point of order, Mr. Speaker, I should like to know how many more minutes are left for the debate, and how much time is left to the member who has the floor.

Mr. Deputy Speaker: The hon. member for Mercier has the floor and he is entitled to 20 minutes. I see the hon. parliamentary secretary is rising on another point of order.

[*Translation*]

Mr. Pinard: Mr. Speaker, I will be rising in due course to answer the point of order raised by the hon. member for Edmonton North but I would like my hon. colleague to have the opportunity to conclude his speech in the four minutes he has left. I would remind the Chair that the hon. member who rose from this side started at 5.04 because an hon. member, an oil magnate was extended the courtesy of speaking longer than his time. In the circumstances I am surprised by the attitude of the opposition which wants to prevent the hon. member for Mercier (Mr. Boulanger) from continuing his speech. So, Mr. Speaker, I reserve my right to rise on the point of order after the hon. member for Mercier concludes his remarks.

[*English*]

Mr. Boulanger: Mr. Speaker, I do not intend to comment on the point of order, but that would be one of my arguments: we have already spent four minutes on question of procedure and I do not see why further time should be taken away from me.

Mr. Deputy Speaker: Order please. I do not mind if hon. members wish to continue raising points of order until six o'clock. I am adding to the time available for this debate. I have already given instructions to add four minutes, so this debate is prolonged until 5.40. If members wish to continue to raise points of order I will extend the time because the motion is entitled to be debated for 90 minutes. When we are on points of order we do not debate the motion.

Mr. Paproski: All I want to say, Mr. Speaker, is this: I want to thank you. I wanted to know. I am not concerned about what the hon. parliamentary secretary has to say or about what the hon. member has to say. We should like to know how much more time is left in this debate.

Mr. Deputy Speaker: My interpretation of the rule allowing for interventions and points of order is that the debate should

conclude at 5.40, plus an extra five minutes allowed for the minister and five minutes for the mover.

The hon. member for Mercier.

Mr. Boulanger: I turn, now, to printing. Printing encompasses two distinct modes, the manufacturing printing performed in the main plant, Hull, and in over 100 plants and copy centres across the country; and the purchasing function which, through a consolidated purchasing capability, distributes federal printing requirements to the industry in Canada on a competitive basis. This year, over $130 million worth of government printing requirements will be handled by the supply administration. Some years ago, over 60 per cent of the printing business was made in government facilities with 40 per cent going to the private sector. Through a concerted effort by the supply administration's printing products centre—

I guess I have to stop, Mr. Speaker.

Mr. Hnatyshyn: Nobody was listening to you anyway.

Mr. Knowles (Winnipeg North Centre): Four minutes left. You are using the Crown to avoid a vote.

THE ROYAL ASSENT

[*Translation*]

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

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

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

• (1740)

[*English*]

And being returned:

Mr. Speaker informed the House that the Deputy Governor General had been pleased to give, in her Majesty's name, the Royal Assent to the following bills:

Bill C-35, An act respecting the organization of the Government of Canada and matters related or incidental thereto—Chapter No. 13.

Bill C-28, An act to amend the Northwest Territories Act—Chapter No. 14.

Bill S-6, An act to exempt certain shipping conference practices from the provisions of the Combines Investigation Act—Chapter No. 15.

[Mr. Deputy Speaker.]

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

GOVERNMENT CONTRACTS WITH FIRMS AND INDIVIDUALS OTHER THAN CROWN CORPORATIONS AND AGENCIES

The House resumed consideration of the motion of Mr. McKenzie:

That an order of the House do issue for a copy of all government contracts, excluding Crown corporations and agencies, with Canadian firms and individuals for the years 1976 and 1977.

Mr. Prosper Boulanger (Mercier): Mr. Speaker, before we went up to the Senate chamber I referred to the fact that my colleague, the hon. member for St. Catharines (Mr. Parent), mentioned the introduction of bulletin board bidding for government printing requirements. This new technique provides a unique opportunity for local printers right across the country to bid on government requirements. In the past they were hindered by the need to get bids in from remote locations. That was with regard to printing.

With regard to publishing, the publishing centre was integrated with the department when Information Canada was disbanded in April, 1976. Its objective is to supply effectively priced publications of various departments and agencies to the Canadian public.

The "make or buy" policy was an element in the decision to close the six Canadian government bookstores. The government run bookstores were providing relatively few Canadians with a costly service that could not be self-supporting on the basis of sales revenues. With the closing of the bookstores more members of the Canadian bookselling community are being encouraged to become government sales agents, and annual savings in excess of $1 million are being achieved.

• (1750)

[*Translation*]

Mr. Speaker, the government rightly believes that all qualified businesses in Canada have the right to know the requirements of the state. The DSS has allowed everyone to have access to public contracts. Whatever their size or field of endeavour, all Canadian businesses are entitled to do business with the federal government.

Our policy is guided first of all by the principle of equal opportunities for all suppliers. This principle is foremost in our daily activities and ensures the impartiality of our negotiations. By using objective business practices and recognizing equal opportunities for potential suppliers in all regions of the country, the department applies this principle to its publicity methods as well as its information and advertising programs.

In the field of contract negotiation, the department sees to it that the contractors have equal opportunities to do business with the government, because we are convinced that it is a right and not a privilege for any businessman to be able to deal

with the Canadian government. It is quite easy to do business with the Department of Supply and Services. Our procurement methods ensure real integrity and accessibility guarantees for our department. These principles are reflected by the following initiatives, which are as follows—

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but according to Standing Order 48(2), the time provided for consideration of this motion has expired.

[*English*]

If there is no minister—as I can see—who desires to participate at this time, the Chair will call upon the hon. member for Winnipeg South Centre (Mr. McKenzie) who will close the debate.

Mr. Harquail: Mr. Speaker, I rise on a point of order. It is my understanding that parliamentary secretaries standing in for ministers—

Mr. Deputy Speaker: Order, please. I already ruled on that point of order, so I cannot allow the hon. member to raise it again.

[*Translation*]

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): I certainly do not intend to appeal your decision, but I think that the point raised by the hon. parliamentary secretary is not the one he raised earlier when you made your remarks.

Mr. Speaker, I wish to draw your attention to the formula used in Standing Order 48(2). It reads as follows and I quote:

When debate on a motion for the production of papers . . . has taken place for a total time of one hour and thirty minutes—

This is what is happening now, you have just interrupted the debate. The problem could not exist earlier, Mr. Speaker, as you have just interrupted the debate. And further we can read:

—Mr. Speaker shall at that point interrupt the debate,

And it is only after, Mr. Speaker, that you recognize the mover of the motion for the production of papers, not before.

You shall certainly ask: But why is it that a parliamentary secretary can take the floor instead of a minister? On that subject I wish to refer you to Standing Order 15 concerning the oral questions period. Standing Order 15(2) reads, and I quote:

(2) Not more than two minutes after the reading of prayers, the business of the House members, other than ministers of the Crown, may propose motions pursuant to Standing Order 43 at this time. Not later than 2.15 p.m., or 11.15 a.m., as the case may be, all questions shall be taken up.

Indeed on oral questions, it is stated that any member other than ministers of the Crown, before oral questions, may propose motions pursuant to Standing Order 43, and on oral questions we know parliamentary secretaries answer on behalf of ministers. I therefore wonder on what basis the parliamentary secretary, who could not properly raise his point of order before the end of the debate on the motion before the House, that is only a few seconds ago, cannot when acting for a minister be recognized for the five-minute speech provided for by Standing Order 48(2).

Since in the case of motions proposed pursuant to Standing Order 43, members other than ministers may propose motions, and since on oral questions parliamentary secretaries may answer questions on behalf of ministers, for what reason the five-minute speech provision under Standing Order 48(2) may not at this stage be extended to parliamentary secretaries, since under the Parliamentary Secretaries Act they are supposed to help their respective ministers? If making a speech on behalf of a minister as provided in the standing order is not helping a minister, I wonder what is. All this of course is submitted with all due respect. I have no intention whatsoever to appeal a decision you may have made, but I do not feel that in effect you made a decision on this, because this point could not be properly raised before the end of the debate just concluded.

The basis you used for your decision, Mr. Speaker, is not a Standing Order, it is a half-precedent two or three years old. I say it is a half-precedent without any derogatory intention, however it does not quite apply here, because as you stated there was unanimous consent, which is not or does not appear to be the case here. It is premature to assume there would be unanimous consent. For these reasons, Mr. Speaker, I submit it would be important that this House have a formal, clear and precise decision to guide us in the future, so we may know whether a parliamentary secretary may make the five-minute speech referred to in Standing Order 48(2).

Mr. Deputy Speaker: I have no intention of stopping the hon. parliamentary secretary, but I must confess the point he is discussing is exactly that on which I have already made a decision. Whether I did so on a wrong or half-precedent, it has been rendered and has not been taken exception to at that time. I am not here to change the rules. I read the Standing Order and I did interpret it as I saw it. And if there is no minister wishing to be recognized at this point, I have to recognize the hon. member—

[*English*]

Mr. Cafik: I will take the floor, Mr. Speaker.

Mr. Deputy Speaker: I have no objections. I am ready to recognize the minister, but I wish he had made up his mind earlier. We would not have lost all this time.

Hon. Norman A. Cafik (Minister of State (Multiculturalism)): Excuse me, Mr. Speaker, but I do not think it is appropriate for anyone to cast any reflection of the timing when I wish to seek the floor. In any event, I want to say that the motion which is before the House that an order of the House do issue for a copy of all government contracts, excluding Crown corporations and agencies, with Canadian firms and individuals for the years 1976 and 1977, is totally irresponsible—

Some hon. Members: Hear, hear!

Mr. Cafik: —when one bears in mind the volume of these contracts, the millions of sheets of paper which would be required to meet such a request.

I think it is a clear indication to all members of the House and, I am sure, to the public at large—

Some hon. Members: Question.

Mr. McKenzie: On a point of order, Mr. Speaker—

Mr. Deputy Speaker: Order, please.

Mr. McKenzie: The minister is misleading the House and trying to give the impression that there is only one copy of government contracts. There is no such thing as only one copy and they do not have to spend $18 million to produce copies. They can give us the second or third copy. There is no cost involved to the Canadian public.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Order, please. The hon. member will have the opportunity to say what he wishes when he speaks in the five minutes allowed to him. I have to say—

Mr. Paproski: Can we not see the clock?

Some hon. Members: Six o'clock.

Mr. Deputy Speaker: There is a suggestion—

[*Translation*]

Would the House agree that I do not see it is six o'clock?

[*English*]

Order, please. The hour provided for the consideration of private members' business having expired, I do now leave the chair until eight o'clock tonight.

Some hon. Members: Cowards.

At six o'clock the House took recess.

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

[Mr. Cafik.]

GOVERNMENT ORDERS

[*English*]

ENERGY SUPPLIES EMERGENCY ACT, 1979

MEASURE TO CONSERVE STOCKS

The House resumed consideration of Bill C-42, to provide a means to conserve the supplies of energy within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada, as reported (with amendments) from the Standing Committee on National Resources and Public Works, and Motion No. 2 (Mr. Lawrence).

Mr. Deputy Speaker: Is the House ready for the question? The hon. member for Gloucester (Mr. Breau).

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, I rise in order to clarify the proceedings. Are we still dealing with the second amendment? I should like to put forward a suggestion. I realize Your Honour recognized the hon. member for Gloucester (Mr. Breau) on this particular amendment, but if there was disposition at this time to move on to the second set of amendments, the amendments of the hon. member for Peace River (Mr. Baldwin), it might be a way to expedite the proceedings in respect of this bill. I believe my colleague would be agreeable to that, as long as he is recognized.

Mr. Deputy Speaker: Order, please. There is no way I can decide this except to say that the House is still considering motion No. 2 in the name of the hon. member for Northumberland-Durham (Mr. Lawrence). The next scheduled motions are motions Nos. 3, 4 and 6 which are to be debated together. A vote on motion No. 3 would dispose of motions Nos. 4 and 6. After that we would move to the consideration of motion No. 5. I am ready to receive any direction from the House.

Mr. Lawrence: Mr. Speaker, other hon. members want to speak.

Mr. Deputy Speaker: The hon. member for Northumberland-Durham is indicating that other hon. members want to speak.

Mr. Gillespie: Mr. Speaker, perhaps we can hear from a spokesman on the other side. That might help to settle this qestion. If there is disposition to move on to the next group of amendments at this time, we should attempt to determine whether that would be agreeable to other parties. If it is not, clearly we should continue with the consideration of motion No. 2.

Mr. Deputy Speaker: I find it difficult to be in the middle of negotiations, but the hon. member for Northumberland-Durham indicated that other members wanted to speak on motion No. 2.

• (2010)

Mr. Lawrence: Mr. Speaker, when there are a number of amendments I suppose it is really immaterial who speaks on what. My impression was that there were at least two other members who wanted to speak on motion No. 2. Certainly I do not wish to, and I do not think anyone else in our group does.

Mr. Knowles (Winnipeg North Centre): That is because they have already spoken.

Mr. Deputy Speaker: I can only ask the question again, is the House ready for the question on motion No. 2?

[*Translation*]

Mr. Herb Breau (Gloucester): Mr. Speaker, if the House agreed to dispose of amendment No. 2, I would have accepted that, but since we are carrying on the consideration of amendment No. 2 moved by the hon. member for Northumberland-Durham (Mr. Lawrence), the critic of the Progressive Conservative party on energy matters, I am glad to take part in the debate. It is evident, as pointed out by previous speakers, that the amendment strikes at the very principle of the bill. It therefore leads us to refer to the bill generally and to its substance.

Even if some spokesmen for the Progressive Conservative party state that they really approve the substance of the bill I think it is difficult to say that they approve the substance if they are not prepared to provide all necessary means to make it effective. If we consider amendment No. 2 moved by the member for Northumberland-Durham, we note that it would make that legislation entirely ineffective. Why, Mr. Speaker? Because he could cripple Bill C-42, an act to provide a means to conserve the supplies of energy within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada.

Mr. Speaker, we are talking here about national emergency measures. Not of ordinary situations, not of legal structure for ordinary occurrences in a society such as ours, of situations that can occur and which the government must face every day. We are talking about measures required in times of emergency. The bill provides that, in such cases, according to clause 11, the governor in council, that is the government, would declare a national emergency. The government would then introduce that measure in parliament where it would be debated for three days. What the amendment would achieve is to remove the time limit on that debate. Let us not delude ourselves, Mr. Speaker. What the Progressive Conservatives are proposing is really that we do without an efficient way of facing emergency situations when control or regulated distribution of oil supplies is needed.

Mr. Speaker, when there is a crisis, when there is a national emergency, let us admit that we do not have weeks or months to decide. A decision has to be made immediately. When the Progressive Conservatives claim that the government wants dictatorial or totalitarian powers, under such circumstances, they are really going too far.

Mr. Speaker, in an emergency situation or in any situation at all, nobody relying on the common sense inherent in Canadian politics would expect a government to come to parliament, proclaim that there is a national emergency in a situation like that and try to use a measure like Bill C-42, when it is adopted, unless there actually exists an emergency situation. I listened to the Conservatives this afternoon. I read most of their speeches and I heard some of them say during second reading that the government could use this bill unfairly and inordinately to acquire overwhelming powers in the field of resources. Mr. Speaker, we have to reach a decision and the Conservatives have to make up their minds and decide whether or not they want the Statutes of Canada to contain an act like Bill C-42 which would give the government power to act swiftly in emergency situations because in such cases there is no time for lengthy debates. The government must be quick to react.

Mr. Speaker, the situation which erupted a few weeks ago, and which could reappear any time, required such measures. Why? Because some oil companies, some multinationals decided to divert elsewhere oil supplies destined for Canada. Because they wanted to allocate oil supplies themselves between various countries. To counter such a situation, a government must give itself the necessary powers to allocate these supplies.

To suggest, in such a situation, that the act should not set a time limit on debate is tantamount to objecting to the government's need for firm measures to deal with a situation such as this. So instead of merely saying that they are against limiting debate, the Progressive Conservatives should admit that what they are in fact trying to do is to support Alberta's and now Ontario's opinion that this bill is really not necessary. If in principle they are against the bill, they should say so. They should not say that they are for it and then propose an amendment which would make the legislation a totally inefficient measure. To say that in such a situation, the government should not have enough freedom to declare a national emergency and then come to parliament to have it approved, if parliament cannot decide this within three days, Mr. Speaker, then parliament is really not up to date, it could not react to an emergency. I repeat that what we are talking about is an emergency.

I would like to make a few more comments on this matter. The government could possibly declare an emergency even though there was no emergency. However, Mr Speaker, there are other means to question the government in the Canadian parliament. The government is before the House every day, ready to answer questions from the opposition, from hon. members from all parties, to be accountable for all its actions, whether they are routine measures, declaration of emergency,

or whatever. So to say that the government should come before parliament to be examined in a three-day debate is really to have no knowledge of how the parliamentary system works, because in fact, if the government did not have the support of parliament, then parliament could defeat the government. If the government were to declare an emergency for no reason, then parliament could introduce a motion of non-confidence and defeat the government.

[*English*]

Really it is obvious what the Tories are doing with this amendment. Again they want to be on both sides of the fence. They want to say that they are in favour of the principle of the bill, yet they are proposing an amendment that would completely emasculate it. We are dealing with a bill that proposes to put in the statutes of Canada a legal system by which the government could declare that there was a national emergency.

● (2020)

We know that members of the Conservative party when it comes time to talk about energy, have a very hard time making up their minds. They have shown this fact in this debate and in the debate on second reading. I would like to know what the Conservative party would have done about the problem of energy if they had been in power for the last three or four years. They say now that they support a one-price system, but in debating the Petroleum Administration Act a few years ago they were against it. However, when they realized that the Ontario government was supporting the federal government to a certain extent, the shoe was suddenly on the other foot. When Alberta agreed with the federal government that the price of oil in Canada should be increased, this Conservative party stopped their filibuster of the petroleum administration bill.

The Tory party has said time and again, in this debate, and over the last two or three weeks, that the government does not have an energy policy. Where have they been? This government does have an energy policy.

Mr. Symes: Not a very good one.

Mr. Nystrom: It is too conservative.

Mr. Breau: This government adopted the policy that we would have a one-price system at the wellhead for crude oil. What does this mean? In the present circumstances with the price of crude oil in the world rising, because of the Iranian political crisis which has reduced their production, the five eastern provinces, or the area east of the Ottawa Valley, which is dependent on imported oil, is shielded from the recent price increases in crude oil. Since the Iranian crisis the increase in the price of crude oil would have meant to eastern Canada—if it were not for the one-price system implemented by this government and opposed by the Tories because the premier of Alberta at one point did not agree with the one-price system—an increase in heating oil of $150 per householder for this year alone.

[Mr. Breau.]

As if the price of gasoline is not high enough right now, the increases in world crude oil prices would mean an increase of 25 cents per gallon of gasoline. The present national energy policy of a one-price system has protected eastern Canada from that increase. It seems to me that that is a pretty good policy.

Other elements of the energy policy of this government include an extension of the oil pipeline from Montreal to Sarnia which has decreased our dependence on imported oil by 40 per cent. Because of this government's energy policy, Petro-Canada supports the concept of a gas pipeline from Montreal to eastern Canada, the Q and M line, which would reduce our dependence on imported oil in eastern Canada and ensure security of supply as it is ensured in western Canada. Another element of the government energy policy has been to help in the development and diversification of other modes of energy.

[*Translation*]

In my own constituency, Mr. Speaker, the federal government is funding a power generation research project where a peat-burning pilot plant is now in its design stage. This program include many other projects in solar energy and in alternative forms of energy, such as attempts to burn forest waste, for instance, to produce electricity. There are many aspects of the government's energy policy which give Canadians a greater feeling of security concerning oil and energy supplies for the present, in emergencies, and in the long term.

Mr. Speaker, I hear the Progressive Conservatives say that the government should get rid of the only important oil company Canadians have, Petro-Canada. One really wonders, Mr. Speaker, if the members of that party really understand what makes Canada great.

I wonder, Mr. Speaker, if the Progressive Conservative party could decide by itself, without asking the Premier of Alberta or someone else outside the House what would be a good energy policy.

[*English*]

I would very much like to hear the Leader of the Opposition (Mr. Clark) answer the real question of energy. I am sure that most Canadians would also like to know where he stands. Would he approve or disapprove of the policies of Premier Lougheed on the pricing and production of oil? Does the Leader of the Opposition agree or disagree with the position of Premier Lougheed that only in cases of emergency should the Government of Canada, in accordance with the constitution, have the right to regulate interprovincial trade and prices? I would like to hear the Leader of the Opposition answer, one of these days, those very real, crucial questions.

Does the Tory leader accept the position of Premier Lougheed on the whole question of energy? The position of the Premier of Alberta at the last constitutional conference on national energy control was that even in cases of compelling national interest, however broad those terms might be, he does not accept that the federal government should be able to

regulate prices and the supply of oil interprovincially. The premier said that it should only be done in cases of emergency. Where does the Tory party stand on this issue, because the people of Canada would like to know? When the Conservative party suggests that we do not have an energy policy, I wonder what their policy is, if they have one at all.

Mr. Friesen: What have you done?

Mr. Breau: The hon. member asks what have we done. I just explained that this government adopted an energy policy in 1973. I see hon. members opposite laughing. They can laugh, Mr. Speaker. I should like to remind them that the compensation program for imported oil is really the cornerstone of the one-price policy in this country which means that the Atlantic provinces and Quebec have received compensation in payments, or reductions in the price of oil, up to $2 billion. That is the equivalent of $1,000 per person, Mr. Speaker.

• (2030)

Mr. Hnatyshyn: Why are we in such a mess then?

Mr. Breau: Only this year the one-price policy shielded us from the increased costs imposed by the Iranian situation and an increase of 25 cents per gallon at the pump will not occur this spring. That is what the energy policy of this government means.

An hon. Member: Why are you attacking Lougheed then?

Mr. Breau: I do not attack Lougheed. I can understand him. He is the premier of Alberta.

An hon. Member: Hurray!

Mr. Breau: The Leader of the Opposition is the leader of the Conservative party and he is a member of this parliament. I do not mind Lougheed.

An hon. Member: Blakeney is the premier of Saskatchewan. You have got one province right.

Mr. Breau: If hon. members opposite would keep quiet I would finish my remarks.

I do not mind Premier Lougheed defending the position of his province. That is what he is elected for.

[*Translation*]

The Acting Speaker (Mr. Clermont): Order. I regret to inform the hon. member that the time allotted to him has expired. He may continue with the unanimous consent of the House. Does the hon. member have unanimous consent?

Some hon. Members: No.

The Acting Speaker (Mr. Clermont): In that case, the hon. member for Calgary Centre (Mr. Andre) whose name appears on the list has the floor. Maybe the hon. member for Winnipeg North Centre (Mr. Knowles) would like to have the floor.

Mr. Stanley Knowles (Winnipeg North Centre): Yes, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Thank you very much.

An hon. Member: Go on.

Mr. Knowles (Winnipeg North Centre): You are very nice.

[*English*]

Mr. Speaker, I give full credit to the hon. member for Gloucester (Mr. Breau) for persuading me—perhaps I should wait until he listens.

I give full credit to the hon. member for Gloucester for persuading me to enter this debate, even though it will be a very brief contribution.

In his speech the hon. member ranged over the oil field from one end to the other but he did speak for a moment or two about the essence of the amendment that is now before us in the name of the hon. member for Northumberland-Durham (Mr. Lawrence). It is what he said about this amendment that made me feel I wanted to say a few words. Let me make it clear that when I come to the defence of a motion put down by a Conservative member, that does not mean I am defending the Conservative party's position with respect to oil or energy. Far from it. Indeed, everyone knows that we are prepared to accept this bill when we get to the final stage. However, my good friend from New Brunswick really must think that we are simple minded in this House when he tries to tell us that the proposed amendment now before us would emasculate the bill.

The bill provides for certain things to be done in case of an emergency. We accept that. But it goes what to my mind is a step too far when it builds into the bill something that should be a matter of the procedures of this House, namely, a statutory form of closure.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): All this amendment now does is that it seeks to take out that element of closure that is in the bill. The hon. member for Gloucester says that if the government does not have that element it cannot act, that it would be hamstrung, or whatever phrase he used. I point out to the hon. member that, much as I dislike them, the ordinary rules of closure are still on the books. I suggest that if the government really has an emergency and is not able to persuade members of this House that it is a sufficiently serious emergency, that its resolution should be dealt with quickly, it has the right to fall back on either of the closure rules that are in the Standing Orders of this House.

What I do not like about the clause that the hon. member for Northumberland-Durham is trying to take out of the bill is that it robs the House of the right to control its own procedures; it builds into the statute a form of closure.

The hon. member may tell me that there are already several instances in our statutes where that is the case, and I know that is true. The first time it happened speeches were made in the House about the impropriety of writing rules for the House into the statutes, but after we had done it two, three, four or five times, the government goes on doing it quite freely. I believe it is a mistake and that is the reason why we in this party are prepared to support this amendment. As I say, we do not agree with the Conservative party policy on energy.

Mr. Dawson: What policy?

Mr. Knowles (Winnipeg North Centre): Somebody asks, what policy? I would be happier if I knew what the Liberal policy is too.

Mr. Dawson: Read the bill.

Mr. Knowles (Winnipeg North Centre): At least some of us who are grown up are aware of the fact that emergencies can take place in this area, and we accept the fact that there needs to be a piece of emergency legislation on the statute books. But it is not necessary to go to the extent of building another rule of closure right into the statute, interfering as it does with the right of the House to establish its own procedures. If this bill goes through the way it is—it is three days, and that is it! This amendment would take that clause out of the bill but it would still be within the power of the government to impose closure on the House. It is my view that if the emergency was clear, the government would not have that kind of trouble.

I said my remarks would be brief, Mr. Speaker, and that is the extent of them. I am dealing not with the whole broad energy question but with what I think is wrong in principle, namely, to write another closure rule into the statute. That is the reason my colleagues and I will be voting for this amendment.

Some hon. Members: Hear, hear!

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, I shall not take too long to make my remarks. I have made them already as part of the second reading debate, I have made them in committee, and I made them part of the argument in the discussion on motion No. 1.

What is amazing to me, and it is, I think, probably one of the most frightening things about this bill, is the attitude the government is taking with regard to this amendment. This bill has been described by outside observers, not by members of this party, as a kind of "energy war measures act". It puts a tremendous amount of power in the hands of the government to take a great deal of arbitrary action in virtually running all aspects of a tremendous sector of the Canadian economy. Any member of parliament who feels some sort of responsibility toward democracy should think long and hard about putting that kind of power into the hands of the state. Dr. Peter Treu could give us a story about what happens when the state has excessive powers of the kind granted in the Official Secrets Act. And, of course, we have had the experience of the War Measures Act and the kind of abuse that is possible by a state that is unrestricted by a vigilant legislature.

The only check on that tremendous power that this bill grants to the government—which I must repeat at least for the benefit of the hon. member for Gloucester (Mr. Breau) who apparently has not heard of it—we agree that the government should have the ability to take action in the event of an emergency but we think the government has that ability now, but if it will be added through the establishment of a new board, we think the National Energy Board could probably do that. We recognize the government has to be in a position to handle an emergency. Let there be no mistake about our position in that regard. But the powers asked for here go beyond anything necessary to handle any conceivable emergency.

● (2040)

Motion No. 2 in the name of my colleague, the hon. member for Northumberland-Durham (Mr. Lawrence), would give parliament an opportunity to bring public will to bear on this government or any future government that might seek to abuse that power. The motion seeks to amend clause 11 of the bill. Clause 11(1) states:

> When the governor in council is of the opinion that a national emergency exists by reason of actual or anticipated shortages of petroleum or disturbances in the petroleum markets that affect or will affect the national security and welfare and the economic stability of Canada, and that it is necessary in the national interest to conserve the supplies of petroleum products within Canada, the governor in council may, by order, so declare and by that order authorize the establishment of a program for the mandatory allocation of petroleum products within Canada in accordance with this act.

This clause allows the government to take action immediately in a crisis. It does not even have to be a real crisis, which is one of the frightening things about it. I repeat, the governor in council can take action immediately. Any claim that this amendment would prevent the government from taking action is silly. A claim like that can only be made by someone who cannot read or by someone who has not read the bill. The hon. member for Gloucester probably falls into both categories.

This bill goes on in clause 11(3) to outline a procedure for laying before the House of Commons a motion to concur in government action. Remember that government action is started because it is trying to deal with a real emergency. It does not have to wait for the approval of the House; it can be done without, but a motion must be put before the House. The government does not have to tell us what it is doing. It does not have to tell the House the nature of the crisis nor does it have to tell the House what sort of allocation procedure it is putting into effect. The government does not have to tell the House or the country a thing. All that is required is a motion to be put before this House. Then after three days, by closure, that motion must be put to a vote and the government with its majority can force it through. The fact that we have members on the other side willing to agree to vote closure into the statutes indicates that the government backbenchers cannot be trusted to be vigilant watch dogs of the government. Their role in life as they see it is to say, "Aye, sir, aye".

An hon. Member: They are vigilantes.

Mr. Andre: To trust government backbenchers, at least that crop, to see there is no abuse of power, is a trust that is simply not justified.

One of the ministers over there for whom that groups says "Aye, sir, aye" used to reside over here. I am referring to the hon. member for Crowfoot, the Minister of Industry, Trade and Commerce (Mr. Horner).

An hon. Member: A good man.

Mr. Andre: A good man, he says. The hon. member for Crowfoot when he was over on this side used to say that no motion should get through this House in less than seven days. The reason is quite simple. He told us that because this is a large country it takes two days for information that arises from debate to get across the nation so the people can hear about it.

Mr. Forrestall: That was the old days. It takes a week now.

Mr. Andre: And it takes two days for that information to be digested and two more days for any feedback to reach here to influence anything that is going on. That was in the old days before he got his 30 pieces of silver.

Mr. Forrestall: And indexed.

Mr. Andre: That may well have affected his thought process, although I do not know; but that is a fact.

Three days' debate is not enough for this House to check that kind of abuse if the government was not faced with a real crisis. If this House is not a check on government, what is the purpose of parliament? Why do we not just pass a one-clause bill which says that the government can do whatever it wants? If this House cannot exercise any real authority in terms of checking the government, why are we here? Why are we here, if not to represent our constituents on an ongoing basis checking the authority of the state? After all that was the reason for Magna Carta and the creation of parliament in the first place. Parliaments were created to check any abuse of powers by the state. Forcing closure on parliament by way of legislation is totally foreign to what parliament stands for. Any member of parliament who goes along with this is failing in his duties and responsibilities to the nation. Maybe he is being responsible to his party, but he is not being responsible to the nation.

All this motion does is to eliminate closure; that is all. The government has all the power it needs to act. If there is a genuine emergency that is well known to Canadians, Mr. Speaker, you can be sure that the motion would be passed and passed quickly. I have a lot more confidence in the collective responsibility of the House of Commons than I do in the responsibility of those with the power which this bill gives to them. All this amendment does is let parliament have the freedom to decide what to do. After all, that is the role of parliament, as the hon. member for Winnipeg North Centre (Mr. Knowles) indicated. To write closure into legislation means to hamstring future parliaments or to put a gag on parliament by way of legislation. This can only be done by a group of people who have nothing but contempt for this House, as their leader has demonstrated so many times.

I would ask members on the other side to take their responsibilities a little more seriously as members of parliament. I would hope the hon. member for Gloucester has read the act now and has realized his admonition that this would gut the act and render it totally worthless is an absurdity of the first order. It can only be made by somebody who has not even glanced at the act. Maybe it is too much to hope that Liberals can be responsible, but possibly they might feel the pressure of the public who are being vigilant.

An hon. Member: Tell us about Nick Taylor.

Mr. Andre: The public will bring this to the attention of those who desire to be re-elected. As members of parliament they are expected to be concerned about traditions in this House and about our parliamentary democracy. On occasion they are expected to be more than trained seals, and to think a little bit before they vote.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, my remarks will be brief. I listened to the hon. member for Gloucester (Mr. Breau) misinterpret completely the purport of the amendment put forth by my hon. friend. The hon. member has indicated that the amendment would emasculate the bill. I think he is wrong. I hope he realizes the position taken by the opposition parties with respect to this amendment generally.

● (2050)

No one in this House will dispute that there may come a time when an emergency arises with respect to energy. The bill before us clearly gives the government the power to declare such an emergency by order in council; it envisages that the appropriate measure will be placed before parliament. I do not believe there is anyone on either side of the House who would react negatively to a statement by the government that a real emergency existed or fail to accept it, providing opportunity were afforded for due examination for a reasonable length of time. That is the issue which concerns us.

I must say I was amazed by the position taken by the hon. member for Gloucester. He took the view that the amendment would render the government powerless. Well, Mr. Speaker, I have been in the House long enough to know that when it wants to do so the government manages to get its bills through, right or wrong. To this end the government has at its disposal rule 75C; it can apply that rule whenever it feels like doing so. Of course the opposition also exercises its judgment when it decides to move in such a way as to require the government to use rule 75C. These are all political judgments, they all have their perils, but it is absolutely inappropriate to add to that power the power to conclude debate in the face of an opposition which might, conceivably, be silly in dealing with an emergency, by overriding the rules of this House to the extent of enshrining in law something that transcends the rules which govern parliament. After all, these Standing Orders do mean something.

Surely there are certain principles which ought to govern ministers opposite when they consider this matter, and surely it is not too much to ask that members of parliament on all sides of the House, who are no less Canadian than any other group of people who will be considering this matter when it arises, should be relied upon to review the evidence presented by the government in an appropriate way, and be prepared to accept the judgment of the government, after due examination.

Under the proposal which has been made to us we would be limited to three days of debate. Moreover, we would not have the right to question the government about what was taking place; we would have no right to direct questions to the Minister of Energy, Mines and Resources, if he were the appropriate minister at the time, or to the officials who presumably advise him. The hon. member for Gloucester interjects that we could use the question period. He is correct. There is a rather limited right, during the question period—

Mr. Breau: Consideration of supply.

Mr. Baker (Grenville-Carleton): —and during consideration of supply, though that might take place four or five weeks beyond the point at which the crisis developed. The hon. member knows this to be the case, and the measure would not be before the House even under the bill as it stands unless a situation of urgency had arisen. For these reasons I think it is improper for the government to have the right to run roughshod over parliament.

I repeat, no member of this party denies the government's right to appropriate powers to deal with an emergency situation. It would, to say the least, be inappropriate and contrary to the best interests of the country for anybody to advocate such a course. But it is equally contrary to the best interests of this country to develop the habit of coming to parliament and asking repeatedly for more power than is required. It is acknowledged that this has happened in the case of the referendum bill—it has been acknowledged by dispassionate observers of the political scene. And we find it happening again in this bill. The government is seeking not only appropriate powers to deal with an emergency, but powers which are improper in the kind of society in which we live. I hope the hon. member for Gloucester, bearing this in mind, will reconsider the remarks he made, and I hope the government will reconsider its approach to the amendment.

Again, I say no one in this House who is right-thinking at all would deny any government the powers it needs in these circumstances, but the power which is sought here is too wide. The amendment, which I invite hon. members to support, would not diminish the government's ability to deal with an emergency, and by approving it members opposite would be doing this institution a great service, perhaps a greater service than they realize—it may be they are beyond realizing it, Mr. Speaker. I hope not. Nevertheless, I think this is important.

The hon. member for Welland (Mr. Railton) talking from his seat again describes an emergency. Obviously, he has not read the bill.

Mr. Cullen: Cheap!

[Mr. Baker (Grenville-Carleton).]

Mr. Baker (Grenville-Carleton): If the hon. member continues to make speeches from his seat he must expect retorts from me while I have the floor. We are friends, and he knows what I mean. The bill describes an emergency in clause 11. It states:

> When the governor in council is of the opinion that a national emergency exists by reason of actual or anticipated shortages of petroleum or disturbances in the petroleum markets that affect or will affect the national security and welfare and the economic stability of Canada, and that it is necessary in the national interest to conserve the supplies of petroleum products within Canada—

● (2100)

When that situation exists in the judgment of the government, it may do certain things. All we are asking with this amendment is that when the government makes that judgment—and I assume it would do that in good faith—it consult all of us in parliament who represent the people of the country, and submit its case to parliament. In the unlikely event that parliament should become obstreperous in the absence of the three-day limitation—and I doubt that would happen in the case of an emergency properly found by the government—the minister knows, and the hon. member for Welland knows, that there are extraordinary powers under the Standing Orders of the House of Commons to do under the rules of this House that which the government now seeks to augment by a statute.

I would not want in any way to interfere with the rights of members on the government side who are not in the cabinet to exercise their duty with respect to the matter. I just do not want parliament to put its imprimatur, its approval, on a piece of legislative machinery which is inappropriate to a free parliament. I think the minister should understand that, but perhaps he suffers from the same disease suffered by some of his colleagues. I think it is a sad day for parliament when this is so.

I have nothing more to say with respect to the matter, but I hope there are some hon. members on the government side who would be prepared—

Mr. Railton: We are for the government.

Mr. Baker (Grenville-Carleton): The hon. member says he is for the government. If he continues to exhibit this attitude, he will not be supporting a government for long. I hope the hon. member for Welland will consider the position he intends to take with respect to this matter and have regard for what he is prepared to support in damaging the institution which he has served rather well since 1974.

Mr. Railton: That is very nice of you.

Mr. Breau: Mr. Speaker, I wonder if the hon. member would accept a question.

Mr. Baker (Grenville-Carleton): I will try to answer.

Mr. Breau: Does the hon. member for Grenville-Carleton (Mr. Baker) at least admit that this kind of motion placed before the House would not be placed before the House at the discretion of the government? Normally the government has control over orders of the day. The hon. member says it is

terrible to have in a statute this kind of closure. Does he not realize that in the case of a proclamation the statute would also provide that the government does not have a choice? I have read the bill; the hon. member knows that. Subclause (2) says that a notice of motion to concur shall be laid on the table within seven days. Subclause (3) says that a notice of motion laid before the House pursuant to subclause (2) shall be set down as an order of the day. Does the hon. member not realize that this would not be an ordinary order, but that once a proclamation has been made by the government, it has to come before the House? Flexibility on the part of the government to withdraw an order is not provided for, and that is why this kind of limitation has to be provided.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I think the hon. member is quite right with respect to what the subclauses say, but all they provide is that when the government acts upon its finding that there is an emergency, the matter will be brought before parliament promptly. I recognize that the three days' debate is to ensure that parliament deals with the matter promptly. What I am saying is that when the government already has the power to allocate time under Standing Order 75, it is inappropriate to put that into a statute. I think it is particularly inappropriate when there is nothing in the procedure with respect to this matter which would allow members of parliament to examine the minister and his officials in any way except during the question period, which is an examination of the minister only.

It may very well be that it would be extremely helpful to parliament if we had the right to examine the minister and his officials, but we would not have that right under this bill. Debate ought not to be limited to three days when there is already sufficient power under the Standing Orders to limit debate. That is my whole point. I am glad the hon. member for Gloucester raised this matter. It is not the position of the official opposition—I am sure it is not the position of the New Democratic Party, and I do not think it is the position of anyone in this House—that the government ought not to have the power to declare an emergency with respect to the matter set forth in this bill.

[*Translation*]

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I will be very brief but I cannot help comment at this stage on the question of procedure which was referred to in the last speeches.

I listened very attentively to the remarks of the parliamentary leader of the Progressive Conservative party, and I wonder to what extent his comments reflect our rules. In short, he is suggesting that under the bill when a situation of crisis, a situation of emergency arises in Canada, according to the hon. member for Grenville-Carleton (Mr. Baker), parliament would have to be given a reasonable opportunity to study, consider and discuss the declaration of an emergency resulting from the order made by the governor in council as set out at the beginning of clause 11.

Mr. Speaker, the clause provides later on for a minimum of three full days of debate on that very order or that very declaration of a national emergency. Even taking the argument of my colleague from Grenville-Carleton, those three full days of debate would give the House more time to discuss the order or the declaration of an emergency than the present provisions of our rules would allow if the government applied them from the beginning of the debate in view of the urgency, as the hon. member for Grenville-Carleton suggests. Let me explain, Mr. Speaker. There are two possible ways to limit the debate under our rules. There is S.O. 33 which is rarely used and commonly referred to in parliamentary terms as the real guillotine. There is also S.O. 75A, 75B and 75C which are often but wrongly called the "guillotine" by members of the opposition but which in fact amount to a limitation of debate.

Now, in both cases, if, in view of the emergency we were to resort to those weopons provided by the Standing Orders as they now stand instead of stipulating in this legislation a full three days of debate, something to which the opposition is objecting, we could in theory get away with a maximum of two days of debate on the declaration of national emergency.

Mr. Baker (Grenville-Carleton): That is right.

Mr. Pinard: We could within two days—and I see my colleague for Grenville-Carleton is acknowledging the accuracy of my remarks.

Mr. Speaker, that is just why we wanted to limit the debate to three days, to allow for still more time than is allowed by the strict application of S.O. 33 and S.O. 75A, 75B and 75C.

As for Standing Order 33, it provides that the government simply has to give a day's notice to limit the debate to one more day. If we were to use Standing Order 33 as the member of the opposition has suggested, when the government at any given time judges that there is a crisis or a national emergency, the governor in council would declare a national emergency and table a notice of motion within seven days. At that stage, if instead of doing what is provided in the bill we were to do what the hon. member for Grenville-Carleton (Mr. Baker) wants and use Standing Order 33, we would simply have on the first day to give the notice required under Standing Order 33 and, on the very next day, limit the debate to that one day and conclude it in two days. This would mean that, to discuss in the House the order or the decision of the governor in council or the cabinet concerning a national emergency, members of parliament would only have two days instead of three.

If we refer to the other rule that the hon. member for Grenville-Carleton or his colleagues would have us use in a real crisis or national emergency, the only thing that the government would have to do, in my opinion, within seven days after the order is given by the cabinet and the notice of the

motion is given in the House, would be to give notice on the very first day of debate. The minister would simply have to rise in his place and say: I advise hon. members that tomorrow I shall move a motion to limit the length of the debate to one day. That would be the whole extent of the discussion on that day concerning the crisis or national emergency.

The next day, the minister would rise in accordance with his notice. He would move the motion asking the House to limit the debate to one day, and there would then be a debate of two hours, not on the substance of the order, but on the reasons why the government wants to limit the length of the debate to one day. These two hours would be used to make petty politics rather than to discuss the national emergency or crisis in the House. The next day, we would have the second real day of debate on the motion or emergency order of the cabinet, and the debate would then be over. To sum it up, by resorting to this second weapon or, if you prefer, this last resort available under the Standing Orders as some members of the opposition want for all practical purposes the House would have only two full days to debate the motion, to discuss the emergency order passed by cabinet.

Mr. Speaker, this is a specious argument in my opinion. The indignation or this show of indignation on the part of some members of the opposition does not impress me. I can hardly find any good faith in this argument. I think that if truly, in the sense it is provided for at subclause 1 of clause 11, there is a national emergency with regard to the supply of petroleum, if the population of the maritimes or Quebec, in the middle of February, because of Siberian temperatures, find themselves freezing and if there is a shortage of petroleum, if there is a shortage of heating oil, it seems to me that this would constitute a matter of emergency and a state of national crisis. The government, the cabinet, must use its political judgment to decide whether it should pass the order or declare a state of national emergency. So within seven days, the cabinet, and remember that it can be very cold during these seven days, Mr. Speaker, the cabinet I repeat will table before the House its order which will have to be debated here for a period of three full days not just three days of procedural debate, not just three days during which it will be decided whether the government is right or wrong to limit the duration of the debate, because that will have been settled by this bill, but during three full days of debate to allow the members to express themselves on the statement of national emergency.

So, Mr. Speaker, once again this procedural argument does not hold water. If we were to go strictly by the suggestions of those who take offence at the fact that a bill attempts to bypass the Standing Orders of the House, to those I therefore want to say that this bill is more generous than the Standing Orders if there is really a state of emergency because, as I have just shown under Standing Orders 33, 75A, 75B and 75C, the maximum provided for is two days. Once again I can see that my hon. colleague from Grenville-Carleton agrees. It is a maximum period of two full debating days and even if he had not acknowledged that, it is a matter of fact that it could be a maximum period of two debating days that we could have over this order because under this bill what we are suggesting is a period of three full debating days, Mr. Speaker.

In view of the circumstances, to anyone who truly wants our policy to have national scope and benefit without discrimination to all parts of our country, I say it is ridiculous to oppose or delay passage of a bill because it contains provisions that take the place of the Standing Orders of the House which, if applied to the letter, would be even more strict, and would limit even more the debates of the House. So, Mr. Speaker, that is the short intervention I wanted to make. I want to specify, using the very argument of my colleagues of the opposition, that the bill allows, to all practical purposes, a full day more of debate on the order of national urgency than would the Standing Orders of the House if they were applied strictly in a case of crisis, as suggested by hon. members of the opposition.

● (2110)

[*English*]

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, it is pretty obvious—

Mr. Gillespie: Filibuster.

Some hon. Members: Oh, oh!

Mr. McCain: —in view of the logic that can be associated with the last two speeches made by the hon. member for Drummond (Mr. Pinard) and the hon. member member for Gloucester (Mr. Breau), it is the government filibustering its own bill. It is just as simple as that. Take a look—

Mr. Gillespie: Not when you consider the number of speakers you have put on. Are you ready for the question?

Mr. McCain: And yours have not followed, man for man? You have not been sitting docilely in your seats? You are filibustering your own bill.

An hon. Member: Rubbish.

Some hon. Members: Oh, oh!

Mr. McCain: The logic of the last two speakers escapes me, absolutely and completely. There is an old statement that there are those so deaf that they will not hear. I have to say to you that that applies, because if you read the bill you find it authorizes the government to take the necessary emergency measures as soon as the emergency occurs. We are therefore discussing the period of time which, after the fact, we would be discussing it if the emergency measures were put in place. The emergency measures—and the minister knows this—do not have to await the debate.

Mr. Gillespie: But approval certainly does in an emergency, and that is very important. That is what we are talking about.

We are dealing with an emergency, a crisis. You are talking as if it were business as usual.

The Acting Speaker (Mr. Béchard): Order, please.

An hon. Member: You do not know what to do.

Mr. McCain: Mr. Speaker, I hope you will give me extra time at the end because I am certainly losing it at the beginning.

Some hon. Members: Oh, oh!

Mr. McCain: Could I try again, sir? The government has taken the measures and they will be discussed. If they find themselves in a minority government, what they are citing is perhaps correct, but the approval will not be dependent necessarily upon the time of the debate. If you are in a minority government, there may be some problem with the approval, and I do not argue that. But if you are a majority government and as pigheaded as is this government, with a bunch of lap dogs to vote for you, then there is no problem in getting the approval.

Some hon. Members: Shame!

Mr. McCain: I say to you that the only subject which is under discussion in this amendment is how long the democratic system will prevail and the opportunities exist to discuss a situation which may be at hand as decreed and defined by the government. That is all that is at hand, that is all we are discussing. To say anything more and to try to distract everyone by the reading of the rules and to suggest that you might put in the closure motion, as you submit, and therefore we could have even fewer debating days than this bill permits, is drawing a red herring along the trail.

Mr. Gillespie: You are talking about parliamentary approval for executive action. That is very different from discussion.

Mr. McCain: Are you afraid of the decision which parliament might make? Are you so incompetent in your decision-making that you do not trust parliament to back you? You can rest assured, sir, that there are people in the House who will not back you if they find fault with your decision, and there is no reason why the people of Canada or the House of Commons should be expected to take at face value the government's definition of any particular situation.

Mr. Gillespie: Talk, talk, during an emergency.

Mr. McCain: We are not in an emergency now and you certainly are in no hurry to get this through, otherwise the last two speakers would never had risen, so do not hand us that. Let us be consistent.

● (2120)

The hon. member for Gloucester made a few remarks this evening. It bothers me that he did not express any concern about the lack of planning for emergency supplies for eastern Canada. He applauded the government because it provided equal pricing across Canada at the expense of taxpayers, the users of petroleum products. The people of Canada supported that generously. It is appreciated by those who need that equalization money, as eastern Canada does. Let us understand what we are referring to by eastern Canada. We are not referring to anything except that part of Canada which lies beyond the end of the Montreal pipeline. The Montreal pipeline was built to capacity to supply Montreal area needs and nothing beyond. The hon. member for Gloucester did not express any concern about the fact that after five years there is no plan in place which will look after the needs of eastern Canada and a large portion of Quebec. The energy policy is lacking. It has been fuzzy for a long while.

Mr. Gillespie: Tell us a few things about your policy.

Mr. McCain: I will tell the minister a few things in a minute. The energy policy has been fuzzy for too long.

Mr. Gillespie: Tell us about your pricing policy.

Mr. McCain: I did not criticize the government's pricing policy. Canadian taxpayers are not criticizing the government's pricing policy. The government had to bail itself out of its pricing policy and make peace with the provinces because it wanted a favourable situation on which to win an election. The government preached its promise to Canada respecting its pricing policy. I can assure you, Mr. Minister, that we could not do any worse.

An hon. Member: Address the Chair.

Mr. McCain: Those who suggest that I address the Chair might remind other members—

Mr. Gillespie: Tell us about your pricing policy.

The Acting Speaker (Mr. Béchard): Order, please. The hon. member for Carleton-Charlotte (Mr. McCain) has the floor, and I remind the hon. member to address the Chair.

Mr. McCain: Mr. Speaker is right on. Perhaps Your Honour would speak to those on your right in the same tone.

The past policy of the government has inhibited exploration. It retarded the development of reserves. It is only in the last year that the government began to recognize by budget measures that it had been excessive in its control of exploration money. The government has recanted and admitted the error of its ways. Canada might not be in a position of worrying about how long its present resources will last if the government had not fought with the maritime provinces over who had jurisdiction over what. We in eastern Canada do not know what we have because the present minister, his predecessor, and the government inhibited exploration in fields which were considered fertile by geologists. Our policy includes generous opportunity for exploration in eastern Canada. That is more than the government can say for itself.

Some hon. Members: Hear, hear!

Mr. McCain: Our policy will not leave eastern Canada hung out to dry if a real emergency happens. I assure the minister that our policy will not be a major reflex reaction to something which could have been anticipated. It is fair to say the western world has not been on the best relations with the Middle East. Since the days of the Crusades they have looked upon each other with an element of mistrust. Perhaps we could say that earlier we used the Middle East in our turn, and they are using us today.

Canada is dangling at the end of the string because there has been no policy to permit exploration of the potential resources of this nation. This motion would not be before the House now if they had not quibbled over resource opportunities with the provinces and with those who would have explored. There will be exploration in our policy, and if the resource is there it will not be short and for just ten years down the road as it is presently.

The government has had options open to it for the last five or six years. I do not know which one would be more practical because we are operating in a vacuum of knowledge. We cannot get answers to questions. We cannot get beyond the secret veil or the iron curtain of secrecy which shrouds and protects the government. We cannot find out what are the authentic reserves of gas and oil. Therefore, until such time as we have access to the knowledge in the hands of the minister, it is somewhat difficult to define precisely what might have been the best plan to follow in the last six years. There are five options, any one of which might have been practical and none of which has been discussed by government members in the House as of today.

The first option, the one for which there is obvious capacity to provide, is that the government might have considered for a short emergency situation the movement of oil from the west coast of Canada to the east coast by water transit. Apparently there was adequate pipeline capacity to deliver oil to the west coast. It could be loaded on boats, and perhaps there are boats to bring it around. That is one option the government might have considered. Perhaps it would have been rejected out of hand for reasons which are still behind the iron curtain of secrecy.

It would not have been inconceivable to establish pipeline capacity to reach the head of the Great Lakes, and transport the necessary oil requirements from there to eastern Canada in an emergency. Perhaps it would have been difficult to transport the oil in February or March, but rarely is the supply so low in eastern Canada that one could not have survived by one means or another for 30 days or 60 days until such time as the lakes and the Seaway would be open to bring the oil out of Thunder Bay.

The third option is that the Montreal pipeline could have been built with excess capacity. Petroleum energy might have been ready for emergency delivery by rail, truck or water to eastern Canada if the Montreal pipeline had been built with a little foresight. All we can go by is what we hear through the grapevine. We have been advised that the Montreal pipeline was built with barely enough capacity to supply the area which it now serves, and that it does not have the capacity to deliver to the rest of Quebec and all of Atlantic Canada.

The fourth option the government might have had is that it could have built the pipeline from Montreal into some point in Atlantic Canada from which the oil might have reached the rest of Atlantic Canada by truck, ferry, or other means.

The fifth opinion is perhaps the most economically practical. There is a possibility of massive storage in some of the capacities which exist in Atlantic Canada or perhaps exist in Quebec. I am not aware of the capacities which exist in Quebec. This subject has been a matter of international discussion. The capacity of that storage has not been defined, but I have been advised that these possible storages could accommodate one, two or three billion barrels. Also I have been advised that the storage capacity is already there, and that it is merely a matter of planning to get the oil into storage. Perhaps this was a course the government could have followed in co-operation with the United States which is as concerned about the possibility of an energy crisis and has planned a little better than we have. Probably this is not the last crisis we will see, but none of these five options has been given any serious consideration by the government or, if so, it has never been made public.

Eastern Canada has been hung out to dry if by any chance an emergency should arise. I submit to you that it was incumbent upon the hon. member for Gloucester to have mentioned the very naked position in which government policy has left that part of Canada. I can assure you that the policy of the Conservative party when it becomes the government will not leave any part of Canada hanging out to dry in an emergency which may occur abroad as far as energy is concerned. That is our policy, Mr. Minister, and you cannot claim it because you have neglected it. Your performance has denied a sense of responsibility to that part of Canada which is dependent for its oil on other sources.

● (2130)

Mr. Gillespie: Be serious.

Mr. McCain: I am deadly serious.

Mr. Forrestall: Talk to us about light and heavy crude and security of supply.

Mr. McCain: Half of the problem we are now faced with in Atlantic Canada from the arbitrary, high-handed, inconsiderate, and improper way in which the last crisis was handled, because when the government foresaw 48 hours in advance an element of a crisis the taps were turned on these pipelines which lead to our neighbour to the south, and they were turned from east to west, and all the contracts which were in place with state or private enterprise were cancelled. New prices were negotiated and supplies were placed on a limited basis only. That is one of the reasons why there is now a 750,000-barrel additional refining capacity in Canada left idle, and it stretches from Sarnia to the harbour of Come-By-Chance, Newfoundland.

That refining capacity was established all the way from Sarnia east, with the idea that that part of United States which they could properly reach required refined products. In my constituency during the last crisis the tap was turned by the predecessor of the Minister of Energy, Mines and Resources and Minister of State for Science and Technology (Mr. Gillespie). The tap was turned overnight on the pulp mills, the universities and the hospitals which were dependent upon refined products coming from refineries in Canada. That is the way it was done. The full consequence of that was not realized until such time as there was the possibility of an l.n.g. operation at Saint John, New Brunswick. When the proponents of that operation went to Washington to seek support for its establishment, what message did they bring back? They brought back the message that islands in the Caribbean had been able to be incorporated into the petroleum pricing structure of the United States. Though they are not part of the United States they were considered as part of it for the purpose of petroleum pricing structures.

Venezuela and islands in the Caribbean which are not protectorates of the United States shared that market. Since they turned the tap without any consideration for the consequences to our neighbours, no Canadian refinery can be placed in the pool of energy or the pooling price system of the United States, from Sarnia to Come-By-Chance, and these refineries are now operating at less than capacity and at the expense of the eastern Canadian consumer.

That is the kind of planning we have by this government, and that is why these refineries are idle or closed. I can assure you, Mr. Speaker, that in view of the performance of the Canadian ministry and this government, the answer from our neighbour to the south was that we are not a reliable source of energy and the United States would be ill advised to put such a large dependence for its source of energy on the l.n.g. proposal for New Brunswick.

This was not because of the lack of a buyer in the United States, a large corporation that wanted the energy, and it was not because of a lack of effort by New Brunswick in support of that project. This was the result of the government of the United States stating that Canada was not a reliable source of energy.

An hon. Member: Just listen to this.

Mr. McCain: The minister can mock that statement, but he knows it to be true. He knows that a minister from Newfoundland has tried his best to work the Come-By-Chance product into the price mix in the United States. He went as high as the vice president of the United States and was rejected out of hand. We know that the Deputy Prime Minister (Mr. MacEachen) has tried in vain to have the Port Tupper refinery again accepted into the United States pricing structure so that it could again operate to capacity as it did prior to the breach of contract and the dishonourable behaviour of this government in respect of supplies which were going south before the last emergency. It is not for lack of trying by cabinet ministers in the cabinet of the Minister of Energy, Mines and Resources and Minister of State for Science and Technology that the situation remains the same, but because they have run into a blank wall.

Venezuela did not run into a blank wall and the islands in the Caribbean did not run into a blank wall. They are mixing their refined products in with pricing in the United States, and the minister knows that. The minister knows that, and his mockery and his delirious laughter will never remove that from the record. This is the message that was brought back. Eastern Canada has been neglected and this bill is a charade.

The discussion on this amendment by those who will not understand is a filibuster by representatives of the government, and it cannot be interpreted in any other way. Whether it is discussed three days, five days, or for whatever number of days it may be discussed, no government which exerts sound and proper judgment would have trouble with the House of Commons when Canada is in an emergency. The House will respond. I suggest there is now a lack of trust for the responsibility of the House of Commons. Most of the time of this House has been spent in debating irresponsible, blank cheque legislation. It is a request for unreasonable, unnecessary, and unacceptable powers that—

The Acting Speaker (Mr. Béchard): Order, please. I regret to interrupt the hon. member but his time, to which I have added two extra minutes, has expired.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have just one or two observations and they will have very little to do with that snake pit opposite, as a colleague of mine used to refer to the arrogance that is shown on the other side when serious points are being made. We hear hissing, and witness a downright disregard for these serious points. This makes it easy to understand the way people react. That sort of action on the part of the government contributes to nothing. In fact it has a negative effect upon the government's intentions and aims.

Closure, which is what this is tantamount to, is repugnant and always has been to any democratic system. As has been mentioned very clearly by members on this side, there are ample provisions in the existing law to deal with any emergency that is perceived by the government. Indeed, in my experience I know of no situation at any point in time which could be perceived as an emergency when the government did not in fact act, and debate the matter afterwards. In a situation such as this the people of Canada would expect the government to act. Had the government in fact acted years ago when it should have, we would not be here this evening debating what my friend, the hon. member for Carleton-Charlotte (Mr. McCain), describes as a charade.

I support this amendment, and I would like to make one or two points of a different nature. One of them relates to comments by the minister himself in the House yesterday.

● (2140)

I regret that I do not have the *Hansard*, but it is because of some technical difficulty as I understand the situation. I can

always make it up. My impressions are, I think, fairly accurate, and they have to do with your comments that there will be no third party intervening or taking profits—I believe that that was your inference—out of the secure supply of oil to eastern refineries. I think that that is what you said and that that is a fair recollection. If I am wrong you can correct me, and I know that you will.

I wonder if the minister is at all aware of the difference between heavy and light crude. I wonder why today in this debate nobody has stood and made reference to this, "secure supply", of oils that we have from Venezuela for our eastern refineries. I would ask the minister just where, in the name of God, he expects us to handle and treat heavy crude, because that is what he is talking about and he knows it. The minister knows that Venezuela will be short of light crude within the next two or three years. Stand up and tell me that you were not told that by the Venezuelan government, or get some of your noisy backbenchers to tell me.

My first point was, what are we going to do with the heavy crude? My second point is, how in God's name are we going to move it? The third question I would put to you—and get up and answer this question or have one of your backbencher lackeys get up and answer it—is what was the going price of non-pool oil this afternoon at four o'clock, on the four principal markets in the world? What was the purchase price and what was the going price in the marketplace? I would like the minister to get up and tell us that, and then tell us in eastern Canada.

By the way, Mr. Speaker, eastern Canada, for the edification of this House, when I refer to it is the Atlantic provinces and eastern Quebec; not Ontario and western Canada, but the maritimes, Newfoundland, Labrador and eastern Quebec. How are you going to move the oil and what are we going to pay for it? Why has the minister, with all his rhetoric and damned nonsense, not had the courage of his own convictions and stood up in the House of Commons and told the people in Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland, Labrador and eastern Quebec what the cost increase to the consumer will be next fall because of this, "secure", supply of oil? Where are you going to refine it? What refinery process in what country are you going to put it through before we can use it? I do not know why the minister takes this so lightly.

Mr. Andre: He's from Ontario.

Mr. Forrestall: Even the people from Ontario know what we have been doing with heavy crude in Canada for the last 30 or 40 years. We have had to send it out of the country for processing. Give me some kind of indication. If you think that I am way out in left field, nod and say so and I will sit down, or get on your feet and demonstrate the difference. Do we have secure light crude without swapping or changing?

Mr. Gillespie: You weren't listening.

Mr. Forrestall: And for how long? You are so full of it that you are right up to the crest. Those are just two or three questions which nobody over there has had the courtesy to eastern Canadian consumers to get up and answer. My colleague from Carleton-Charlotte laid a very serious charge tonight, and all the minister could do was sit there and guffaw, which is what he is doing now, laughing.

What the minister knew about oil six months ago, two years after he had become minister, could be written on the back of a postage stamp.

An hon. Member: Tell him what Gerry Regan said.

Mr. Forrestall: That is right. What did Gerry Regan have to say about you? You do not have to take my word for it. Gerry Regan is one of your former colleagues, the last of the bastion. As a matter of fact, the minister used another word.

My colleague from Carleton-Charlotte made a very serious charge a few moments ago about the failure on the part of this government with respect to the mix of eastern Canadian refinery capacity in the U.S. market, the mix of supply and the mix of cost. The islands in the Caribbean and a dozen other countries around this world enjoy this situation, but not Canada, and particularly not eastern Canada. I wonder when the minister was last in eastern Canada, except to go out and toot the government horn on some political spree at the taxpayers' expense.

The minister said, when speaking in the House yesterday, that we were well off in the east. I would like him to get up and tell me what it is that my industrial users pay for energy and what he is paying for energy in his backyard. Tell my people in Ecum Secum what they pay, and at the same time tell them what your people pay, and then tell us again that we are well off. We are in serious trouble. The actions of this government have brought about our difficulties, with its equalization and stabilization. How much longer do you think that we will be able to play games, with the world price of oil what it is? How much longer do you think we will be able to go on with an unreliable source of oil for our refineries? How much longer do you think that our refineries can continue to operate, unless they have access markets for the disposal of their production capacity?

Mr. Gillespie: Is this about the amendment?

Mr. Forrestall: Speaking to the amendment? What the hell has the amendment got to do with the nonsense you have been perpetrating for the last three or four days?

Mr. Gillespie: Filibuster.

Mr. Forrestall: Filibuster, be damned. You are the filibuster of your own argument and you know that.

Mr. Deputy Speaker: Order, please. The hon. member knows that he must address the Chair. I have been very tolerant, and he should address himself to me.

Mr. Forrestall: You are right, Mr. Speaker, and I apologize to you. It is just that the total ignorance of a situation lends to provocation which in fact is justifiable. It is a good thing that

it is not Saturday and St. Patrick's Day or I would teach the minister a lesson the proper way. The eleventh hour attempts by this government to correct what is one of the most serious situations facing eastern Canada are not good enough. When are we going to get our oil refineries back into production so that we can enjoy some of the benefits? When are we going to get the security of Canadian oil? When are we going to learn about the reversal of one of the Portland pipelines which is touted in C-42? When are we going to get it?

Mr. Gillespie: What is the amendment you are speaking to?

Mr. Forrestall: The amendment that I am speaking to is the balderdash and the damned nonsense that you perpetrated in this bill, saying that you need a three-day closure motion. That is what you are talking about. It is not worth the time of day, and you know it.

Mr. Gillespie: You are quite right; the amendment was balderdash.

Mr. Forrestall: This bill is repugnant to our system and to our democratic society. There are three things which concern us in eastern Canada. I do not care whether the matter is debated on the floor of the House of Commons or not. The procedures of this House provide for it. There is an old, old rule in this House that the members will be heard, so we do not need this war measures type of security.

● (2150)

I wonder if the minister understands what the word "closure" means. I wonder if he has bothered to look up the word "emergency" or the word "comedy" in the political sense? I will send the Concise Oxford Dictionary, sixth edition, over to him so that he can look them up, but for now I will read the definitions to him. Emergency is defined as a sudden state of danger, a condition needing immediate treatment. Politically, it is a condition approximating to that of war. That is what emergency means. Comedy is defined as a stage play of life, of amusing and often satirical character. With this measure the minister has perpetrated a comedy on this House—light, farcical, not dealing with the subject in depth.

The minister should be condemned for this. His failure to treat the question of oil security in eastern Canada seriously and the matter of our refineries to function at or near their levels of production, his failure to secure a mix of supply and costs for them in the United States market, his failure to secure light crude oils for eastern Canada, his failure to conclude adequately with the Norwegians, for example, the type of industrial mix they would like if we are to participate in their production supplies—for all of these reasons the amendment should be supported and the minister's motion should be defeated. It is not necessary. He already has adequate authority to take action when he decides there is an emergency, and it does not need to be an emergency immediately prior to a state of war.

Mr. Gillespie: Are you voting against it?

Mr. Forrestall: Bring the election on.

An hon. Member: Any time.

Mr. Forrestall: I will give the minister his emergency authority. Nobody is denying him that. I just say that he has overstepped his boundaries substantially. He is arrogant, and uncaring about eastern Canadians. It is the same with the whole government. By God, they will the finished when the Prime Minister (Mr. Trudeau) has the guts to call the general election.

Some hon. Members: Hear, hear!

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, I want to thank the hon. member for Dartmouth-Halifax East (Mr. Forrestall) and the hon. member for Carleton-Charlotte (Mr. McCain) for the education they have given us on the needs of eastern Canada and the maritimes. I must confess that I was resting rather easy about this bill until I read the editorial in the *Globe and Mail* last Saturday.

An hon. Member: You cannot make up your mind, you have to read the *Globe*.

Mr. Friesen: At least I can read. I know Liberal members do not want to hear this but I think it is worth putting on the record. Referring to this bill the editorial had this to say:

> It is a bill which will put everybody having anything to do with energy under the control of a minister of energy become a czar. It is a piece of tyranny, with the tyranny handled by amateurs and all the professionals shoved aside.

When I look at the Minister of Energy, Mines and Resources (Mr. Gillespie) I cannot help but believe that the editorial is correct. It did not take a great deal of insight but at least the editorial said it.

The second thing that made me take notice of the bill is the indecent haste with which the government wanted to see it passed. They twitched nervously as soon as another member rose to speak. As the right hon. member for Prince Albert (Mr. Diefenbaker) is wont to say—if you have nothing to hide, why hide it? Why not let it see the light of day? Why not expose it?

I look at some of the reasons there might be for an emergency. When I came to this House five years ago we were assured that Canada had an unlimited supply of energy and oil reserves. A year later, we were doomed to a kind of 1984 freeze-up. All of a sudden we are told we have a 25-year supply and I ask myself if this government has any kind of policy at all. When will we get a table and dependable analysis of our reserves?

I can imagine that prior to the North Sea discoveries, countries like Holland, France or Italy would have emergency allocations because their own supplies of petroleum were inadequate. I can understand why they would want legislation like this, but why should Canada, a country supposedly rich in petroleum reserves, ever come to the point of needing an emergency allocation of petroleum? The legislation shows that the minister is not content simply for petroleum to be allocated but provides that he can expand his powers. Clause 12(5) of the bill reads as follows:

The governor in council may, by order, add any product that is manufactured wholly or in part from petroleum to the mandatory allocation program and thereupon that product becomes a controlled product for the purpose of the allocation of the supplies thereof in Canada.

So it is not simply petroleum that the bill deals with. What this energy czar wants to do is control all the products that deal with energy, not just petroleum. When is he going to add hydro and coal?

The minister asks if I looked at those clauses that I just read. If he can understand English, surely he sees it is not the intent simply to talk about petroleum but to add other measures to it? The record of this government of predicting the needs of this country for petroleum resources does anything but encourage confidence.

There was a time before this Liberal government came into office when the word "liberal" had some good connotations. It meant generosity. When I read clause 16, however, I do not think it equates with generosity but rather with dictatorship. They want to control every aspect of the energy system in Canada—supplying wholesalers, allocating the marketplace, allocating the prices—everything is supposed to be under the control of this minister whom the newspaper called an amateur. Are we supposed to give him these unlimited powers after three days of debate? It is no wonder that the editorial says we have a responsibility to bring this to light and debate it as long as possible. Mr. Speaker, may I call it ten o'clock?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

TRANSPORT—ARBITRARY WITHDRAWAL OF RAIL SERVICE FOR CERTAIN COMMODITIES

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, on November 2 last, I asked a question of the Minister of Transport (Mr. Lang) which pertained to a problem in eastern Canada arising as a result of the railroad structure of Canada, saying it was going to withdraw the type of equipment which is necessary to transport potatoes to the markets of Canada and to export markets as well. I asked the minister at that time if he had any control, or if the Canadian Transport Commission had any control over the behaviour of the railroads in such a circumstance.

● (2200)

Is the railroad at liberty to withdraw a particular type of service upon which an area has been historically dependent, without any consideration being given to the necessity of that service, without any advice to the minister or to the Canadian Transport Commission? Is there in fact any authority in the hands of the minister or the agencies of his department which can say to a railroad that it must continue to render this service to an area because it is dependent on the service? It may be dependent on it because there is absolutely no other source of transportation to the destination. It may be dependent on it because it is the only means of transportation which fully fills the market area, fully in which the product has been sold. It may be dependent upon it because of all the capital investment which has been made to ship by this means, and the changes which would be incumbent upon the shipping industry to change.

I am concerned that there has been no response to my question. The minister said in reply to me that if he had the question in written form he would obtain an answer. Because it has been said many times in this House: "I will take your question under advisement and reply," I assumed this would be adequate written notice to the minister concerned and that I could anticipate a reply. I have waited patiently through November, December, January, and February and now I have to bring it to the attention of this House that I have had no reply. I submit that there is no excuse to hide behind the idea that he had no written question. The written record of my question is not only here for him to read but it is here for the public to read.

This is a very serious problem on a national scale and not on a particularly local or colloquial scale. There is a fixed cost in the operation of any business. There is a fixed cost in the operation of a branch line of a railroad. That fixed cost will be there and it will be distributed over the total amount of traffic that travels over that particular branch line. I interpret this withdrawal railroad equipment to haul potatoes as advance notice that they will be applying next for branch line abandonment. I base my case upon the fact that the first application which reduced the use of the lines concerned was for the elimination of passenger service. When these applications for the elimination of passenger service were presented they included the cost of its operation. But two particular items were included in those costs. One was management and the other was maintenance.

Because one took a passenger car—a Budd car—off the railroad line that in no way would decrease the amount of maintenance required on that line nor would it probably take a single employee out of the administrative structure. Simply put, this means the administrative costs of that particular line now had to be distributed upon less traffic than before. It was quite significant that the loss incurred by one of those passenger services was less than the total of the maintenance costs and the administrative charges to the line, both of which were to continue after the passenger service had been discontinued. It would therefore have been cheaper to operate the passenger service than to discontinue it.

● (2205)

Now we are faced with the idea that one of the items which is moved in the largest quantities over that line will no longer be carried because the railway will no longer choose to present

equipment to the shipper suitable for carrying it. So, there were these stages: first, withdrawal of the passenger service; second, the raising of the rates for the movement of wood products to such a level that producers could no longer afford to move their material on the railroads of New Brunswick. That is the second stage. When you couple the withdrawal of the transportation of wood products with the withdrawal of passenger service and, now, withdrawal from the movement of potatoes, it is not hard to foresee that the next application will be for branch line abandonment.

I want to know this: is there any authority vested in the minister or any agency of the Department of Transport which would permit him to intervene and request that the railroads provide services which are historically necessary for the economic viability of the area? That is precisely what is necessary—competitive transportation for the province. It has now become subject to truck rates without competition, whatever they may be, and that is not healthy.

[*Translation*]

Mr. Charles Lapointe (Parliamentary Secretary to the Minister of Transport): Mr. Speaker, the hon. member for Carleton-Charlotte (Mr. McCain) is outraged because he did not receive an answer to his question of November 2. In the interim answer he gave him on that date, the minister quite clearly invited the hon. member to put his question on the order paper, or to write the minister stating the precise details he wanted to have. Mr. Speaker, I checked on this earlier today, and the hon. member never raised that question again. He could very well have contacted the minister or myself, orally or in writing, and we would have been quite happy to supply him with the details or answers requested.

It is further my view, Mr. Speaker, that the hon. member could also have looked up the Railway Act. Section 262 compels railways to supply adequate and suitable equipment to accommodate all traffic offered for carriage; it also empowers the Canadian Transport Commission to order a company to discharge that obligation. Further in the same act, he could have found that section 276 calls for compensatory freight rates, which is freight rates exceeding the variable cost of the movement of the traffic concerned as determined by the commission. Still further, the hon. member could have read in section 277 that the Railway Act empowers the commission to conduct an investigation on any rate and disallow any rate it finds not compensatory.

Mr. Speaker, railways in some cases are the most cost-efficient ways of shipping or moving large volumes of goods over long distances, when shipments are made on regular basis. Now the transport of potatoes in New Brunswick is characterized by irregular shipments distributed over a seven-month period and covering only a few hundreds miles. The companies must also dispatch cars at various loading points here and there and bring them back. Under such circumstances, the railways' operating costs are high and it becomes difficult to make available a satisfactory service to shippers. This is why for the past few years we have noted a constantly increasing use of trucking companies which are in a position to provide a more flexible and quicker service at attractive rates.

The Canadian National which carry potatoes on long hauls in New Brunswick can compete with the trucking industry because its large traffic to the maritimes enable them to provide good service and make available enough equipment to producers. On the other hand, the Canadian Pacific carry less goods, except potatoes in northwestern New Brunswick, and they can provide steady service to potato shippers only at very high rates. Canadian Pacific have realized that they cannot cut out the losses incurred on those goods.

● (2210)

[*English*]

ENERGY—CASH INCENTIVES PROGRAM TO PROMOTE DEVELOPMENT OF ALTERNATE SOURCES OF ENERGY

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, I rise tonight pursuant to my motion of February 22 and my question to the Minister of Energy, Mines and Resources and Minister of State for Science and Technology (Mr. Gillespie) on March 1 as reported in *Hansard* at page 3712, which reads as follows:

> In view of the apparent sustained energy problems in motive power that now exist in this country, will the minister and the government devise some form of cash incentives program which could offer national prizes to encourage our inventors and scientists to develop and attain more efficient uses of fossil fuels as motive power and also to develop alternate sources of energy for the same purpose?

The minister's answer that day was as follows:

> Mr. Speaker, I will be very pleased to take that representation under consideration and to discuss the specifics of it with the hon. member.

I am glad that the minister indicated his willingness to pursue this proposition further, and I am pleased and proud to be the prime mover of this action, provided something is done about it soon. As I stand in my place tonight in this House, I am confident that what I propose will be done, if not by this government then by the next one.

The pockets and basins of petroleum in our old mother earth are certainly limited and are of an unrenewable nature. To depend on petroleum with a protracted attitude into the twenty-first century would be a foolhardy policy. Indeed, we are told by those we hire to inform us that we are close to a crisis in supply vis-à-vis consumption. We now talk of rationing petroleum fuel, six-day weeks for automobiles, and laws forbidding Sunday driving. I believe in self-reliance in individuals as well as nations, and I believe we can rely on Canadians to come up with solutions to our fuel problems, if we adopt the right policies nationally. For these reasons I propose that we do what was proposed in my question, that we set up a generous fund, with guidelines, rules and provisions included, which would give certain national cash prizes and cash awards for the accomplishment of certain fuel saving and fuel inventive goals. We would ask our young and old Canadian inventors,

entrepreneurs and scientists to work together toward the goals the nation would set up.

My proposition would pay dividends ad infinitum to Canada, and it could be paid for with lottery funds. I feel that this amounts to public incentive to private enterprise, and no policy could be more sound. We have undeniable proof of the worth of this type of incentive. I have looked up a couple of very good references. The first is Lady Houston, who lived from 1857 to 1936. She was a wealthy philanthropist and eccentric. She was referred to in England as the woman who won the Second World War. She donated huge cash prizes to aviation in its infancy at a time when the British government would not do so. The record I have here says the following:

Lady Houston, however, deserves to be remembered for her gift of £100,000 to enable a British team to compete for the Schneider trophy in 1931, when the government had refused the funds. The trophy was won by Flight-Lieutenant George Hedley Stainforth, flying a supermarine Rolls-Royce S6, the direct predecessor of the Spitfires and Hurricanes of the Battle of Britain.

That is why she was referred to as the woman who won the war. The Spitfire with the Rolls-Royce supermarine engine was the greatest aeroplane of its time and was the deciding factor in the Battle of Britain. That is what incentive will do for a nation.

Another example of incentives provided which redounded to the nation's benefit was the work of Lord Northcliffe, born Alfred Harmsworth, who lived from 1865 to 1922. He was a Fleet Street newspaper tycoon. He made many donations, principally to British aviation, the best known being the Harmsworth Trophy for speed records in aviation which made Britain a world leader. When I looked him up, the reference to him says that rewards given—

came to be offered later for the first great feats of aviation which followed M. Blériot's first crossing of the Channel in 1909—

He was a famous French aviator.

—£10,000 was won in 1910 by Mr. Paulhan for his flight from London to Manchester and £10,000 in 1919 by Sir John William Alcock (q.v.) and Sir Arthur Whitten Brown for their non-stop flight across the Atlantic—

● (2215)

That shows you what incentive will do when the "carrot" is put out there in front of ambitious people who want to compete and win. I do not see any Lady Houstons or Alfred Harmsworths stepping up here to help with the present problem which confronts us.

We need incentives for inventors to give us more miles or kilometres to the gallon or litre in motor cars. We need more advanced experimentation on carburetion and carburettors. We need to come up with an electric car which, I suggest in my layman's way, will go from Ottawa to Montreal non-stop, or Ottawa to Toronto with only one stop to change batteries.

The field is open for someone to invent a car or truck that burns hydrogen for motive power and that will operate efficiently, safely and economically. We need more experimentation in, and perfection of, the use of methane as motor power energy. We need more attention paid to the fuel cell energy factor, and there are more potential examples of need that can be quoted to you by Canadians who know more about the needs and methods of solution than I do.

[Mr. Alkenbrack.]

I simply say here tonight on March 15, 1979, that the time is ripe and right for Canada to take the constructive actions I now recommend and to give our young intelligent and scientifically ambitious, aggressive young men and women an incentive to show us what they can do. If we do this, I know that the present generation and those to follow will say that we acted wisely and well. I say to this parliament that keeping this country operating and keeping it together entails many factors, and objectivity is one of the most important of these.

[*Translation*]

Mr. Pierre Bussières (Parliamentary Secretary to Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, I thank the hon. member for Frontenac-Lennox and Addington (Mr. Alkenbrack) for his remarks. However, I was surprised to see him bring up that matter in the House of Commons. It is obvious that steps encouraging people to discover new ways of developing the energy required fo mechanical drive, whether it be for driving cars or use in sawmills and other places, is extremely important. The hon. member suggests that a special fund be set up and that considerable amounts of money be awarded those who make discoveries or suggestions for reducing our dependence, as a society and as individuals, on the hydrocarbons whose reserves are limited and will soon run out. The idea is interesting and gives me a chance, Mr. Speaker, to indicate some of the measures which we have already taken in that respect. First of all, the federal government has projects encouraging research varying from the use of the methanol produced when sawdust is burned, the use, its reprocessing of the gas resulting when coal is burned, to the recent subsidies paid the Hydro-Quebec Research Institute at Varennes to encourage the use of a special reactor in nuclear fusion.

Between this first example I gave and the last one in a highly advanced field of power generation technology, there is a whole spectrum of programs funded jointly by the National Research Council of Canada and the Department of Energy, Mines and Resources in an effort precisely to find new sources of renewable energy and reduce our dependency on oil.

Regarding the reduction of our needs, which is really an effort to avoid waste, incredible efforts were also noted. We should first make people aware of their responsibility as elements of society, in ensuring a more rational use of oil. In a recent experience undertaken in Ontario, it was found that by combining reduced speeds and optimal carburettor adjustments, gas consumption can be reduced by 20 per cent.

These are a few of the concrete measures taken by our government. I would like to add a whole string of them, Mr. Speaker, but I see you are impatient to give the floor to someone else, so I thank you for the time you allowed me.

● (2220)

[*English*]

THE CANADIAN ECONOMY—FINDINGS BY CSIP—GOVERNMENT ACTION THEREON

Mr. Jack Hare (St. Boniface): Mr. Speaker, on Friday, March 9, I asked a question of the Prime Minister (Mr. Trudeau) regarding the new toothless watchdog which he created, the National Commission on Inflation. Here we have another in the long line of task forces to "study and monitor" inflation but having at the same time either no independence or no power. The government's answer to every discomforting problem which arises seems to be the same: appoint another commission. It either cannot deal with the problems directly, or it is afraid to take action for which it might later be held responsible. The government would rather pass the buck to a commission, hoping that it will take the heat off. Well, it will not take the heat off because Canadian people are not so stupid as to be deceived by this kind of buck passing, this throwing of commissions at problems. Canadians know that with a good government the buck stops on the Prime Minister's desk, and that is what the government will see after the next election.

Since 1969 we have seen five commissions appear, and four of them disappear. First we were given the Prices and Incomes Commission. Then it grew tired and had to be replaced by the Food Prices Review Board. The Food Prices Review Board begat the Anti-Inflation Board which was to impose those controls which the Prime Minister had said would never be. The controls ended after three years, but the government had grown so accustomed to its commissions that it had to create another one. So, the Prime Minister went to Dr. Sylvia Ostry and instructed her to build CSIP, the Centre for the Study of Inflation and Productivity, within her Economic Council of Canada. But it seems the Prime Minister made an error in judgment, for CSIP proved not to be the uncritical handmaiden the other task forces had been. Because it was brought into being under the auspices of the Economic Council of Canada, CSIP operated in the same independent, uncompromising way which had characterized the economic council. It would not be an apologist for government policy; it chose to be outspoken and often critical.

Soon after it was created, CSIP proved its refusal to be manipulated. It issued a criticism of the government's wage settlement with letter carriers, attacking it as being excessive and inflationary. Then in October, 1978, it ruffled the government's feathers by its critical assessment of federal dairy policy. CSIP argued, and many agreed, that it did not make economic sense to use taxpayers' dollars to subsidize the overproduction of industrial milk, especially when the milk had to be sold at a loss on the international market. CSIP was being insubordinate to the government. It was behaving like a delinquent child and, like a delinquent child, it had to be disciplined. After all, the government could not have its own commission criticizing the government as aiding and abetting inflation. Thus the government destroyed this troublesome CSIP with its annoying penchant for public criticism, and created another commission, NCI, the National Commission on Inflation.

● (2225)

Why did the government decide to replace CSIP with this new agency? The Minister of Finance (Mr. Chrétien) claims it was because some firms refused to disclose information CSIP had requested. He did not mention how many, but I will. There were two out of 190, just under 1 per cent. It is clear that, by and large, the companies have nothing to hide in so far as prices, profits and wages are concerned. But can we say the same for this government?

When the disbanding of CSIP was intimated shortly before the announcement on March 2 of the creation of the NCI it was reported that some staffers expressed dismay over the closing of CSIP. Let me quote from the Montreal *Gazette* of March 6 in which a CSIP spokesman was reported to have said:

> We were on the edge of some really super stuff. Our program was just starting to take shape and in the next three to six months, we would have broken out with some important results.

I would like to ask the minister what will happen to those incipient findings? What will happen to the CSIP studies that were in progress, the studies dealing with structural aspects of inflation and labour force mechanisms, and the study on the Crowsnest pass freight rates? What will happen to the $500,000 in research contracts that CSIP has outstanding? Will they be muzzled and aborted in the same way that CSIP was?

I would also like to ask the minister to explain the mandate of the NCI. On March 9 the Prime Minister told the House that CSIP was not reporting directly to parliament but that it was reporting directly to the Prime Minister. The truth of it is that CSIP was reporting to parliament and the public through the Prime Minister, but he had no control over the content of its reports. Can we say the same for the NCI? Where is the provision in the order in council creating the NCI which specifies that it will report to parliament, unimpeded, in the same way that CSIP did? It is not there; instead we are told that the national commission will be reporting to the Minister of Finance.

The Minister of Finance said in his March 2 press release that the NCI would be making its reports public "when it was deemed advisable". What does this mean? Does it mean that the public release of some reports of the NCI will be deemed "inadvisable" and that these reports will then be kept secret?

My objection to this is twofold, Mr. Speaker. First it is that the appointment of commissions, studies, task forces and review boards has been proven over the last ten years to be a hopelessly inadequate way to deal with inflation. The government must take responsibility for inflation, and the problem should not be dumped on the shoulders of commissions.

The second is the fact that this government kills the commissions it creates before they have a chance to get off the ground. As Mrs. Ostry was quoted in the March 9 edition of the Montreal *Star,* "What saddens me is that we've been killed just when we were gaining momentum."

The NCI will be done away with in the same way. Its term expires in 1980, just over a year from now. Will the government appoint another commission on inflation then? I am happy to say it will not because the government will be a Progressive Conservative one, and—

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but his time has expired.

Mr. Alan Martin (Parliamentary Secretary to Minister of Finance): Mr. Speaker, in initially responding to the comments of the hon. member for St. Boniface (Mr. Hare) regarding the next election let me just say that he should keep a close watch over his own shoulder as the people of St. Boniface rush to restore membership in this House to the Liberal stronghold where it so traditionally belongs.

The hon. member asked what action will be taken to follow up on CSIP's findings in a number of areas. He specifically mentioned CSIP's public statements with regard to food industry profits, dairy industry costs, and CSIP's criticism of the wage settlement with the letter carriers.

In reply I would like to note that the government has replaced CSIP with the National Commission on Inflation in order to monitor prices and incomes more effectively. The NCI will be better able to monitor because it will have powers under the Inquiries Act to require the submission of information.

CSIP had requested the voluntary submission of information from 190 of the largest companies and some of them had expressed their reluctance to co-operate. The government could not give CSIP Inquiries Act powers because such powers were judged to be inconsistent with the mandate of CSIP's parent organization, the Economic Council of Canada. As the new agency responsible for prices and incomes monitoring, the National Commission can be expected to follow up on many CSIP's findings.

Concerning a follow-up on CSIP's comments on food industry profits, I would like to remind the hon. member that Mr. Renouf, the head of the NCI, has already been involved in the question of food industry profits as chairman of the AIB. The AIB has done two studies of food industry profits, the second of which could be seen as a follow-up on the CSIP's comments. The AIB studies have been supported by the more complete information on food industry profits contained in the release of Statistics Canada data on non-financial corporation profits for the first three quarters of 1978. CSIP itself has noted that its original comment on food industry profits had to be revised in the light of the more complete data. Given Mr. Renouf's involvement to date, I am sure that the NCI will have a continuing interest in the profit performance of the food industry.

As far as other studies that CSIP was undertaking are concerned, final decisions have not been made. Some of them may be taken over by the NCI. The terms of reference of the NCI instruct it "through publication of reports . . . to promote understanding of the inflationary process and its implications for the economy". It will be up to the NCI in consultation with CSIP and the economic council to decide which studies should be continued under NCI's auspices. Some other research studies with a much less immediate relation to monitoring may be continued by the Economic Council itself and could eventually result in council publications. Finally, it is possible that some studies could be discontinued if they do not fit in with the research priorities of NCI and the Economic Council.

• (2230)

The hon. member also asked why the NCI is not directly responsible to parliament, as he suggested CSIP was, and why the NCI is reporting to the Minister of Finance (Mr. Chrétien) and not to parliament and the people of Canada. I should first remind the hon. member that CSIP was set up under the direction of the Economic Council at the request of the First Ministers' Conference in February, 1978. As such, CSIP reported through the Economic Council to the Prime Minister (Mr. Trudeau) and not directly to parliament. The NCI will report to the governor in council, with the Minister of Finance providing the liaison between the two.

According to its terms of reference, the NCI has been instructed to report to the public when it deems it appropriate to do so. It is authorized to publish its reports and the results of its studies and investigation under its own authority. The Minister of Finance has no veto power over what it can make public. The NCI is expected to report publicly on many of the cases it examines, and on more general issues as part of its effort to promote public understanding of the inflationary process.

Mr. Deputy Speaker: Order. I regret to inform the hon. member that his allotted time has expired.

The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the House adjourned at 10.31 p.m.

HOUSE OF COMMONS

Friday, March 16, 1979

The House met at 11 a.m.

● (1105)

ROUTINE PROCEEDINGS

[*English*]

NATIONAL CAPITAL COMMISSION

REQUEST FOR DETAILED EXAMINATION OF OPERATIONS—MOTION UNDER S.O. 43

Mr. Robert de Cotret (Ottawa Centre): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In light of the fact that the federal government undertook five years ago to invest almost $6 million of taxpayers' money on the development and operation of a commercial restaurant, tavern and theatre at 10-12-18 York Street, Ottawa, and in light of the fact that thousands of dollars worth of imported antiques are deteriorating in the basement, together with $50,000 worth of imported wine, I move, seconded by the hon. member for Ottawa-Carleton (Mrs. Pigott):

That this House direct the Auditor General to undertake a detailed examination of the management, control and financial accounting practices of the National Capital Commission, with particular reference to the tendering procedures and the development of 10-12-18 York Street, Ottawa.

Some hon. Members: Hear, hear!

Mr. Speaker: Such a motion can be introduced for debate at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CONSUMER AFFAIRS

RISING PRICES—STEPS TO ALLEVIATE HARDSHIP CAUSED TO SENIOR CITIZENS—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, under the provisions of Standing Order 43, and seconded by the hon. member for Oshawa-Whitby (Mr. Broadbent), I move:

That this House notes the tremendous increases that have taken place in the cost of food and clothing, which have a particular effect on Canada's senior citizens, and this House therefore calls on the government to establish a special consumer price index for senior citizens related to the things they have to buy, and also to add a special supplement to the April pension cheques to help cover the severe increases in food and clothing costs announced today by Statistics Canada.

Mr. Speaker: The introduction of such a motion for debate requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSE OF COMMONS

PRIME MINISTER'S VISIT TO VANCOUVER—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise on a matter of pressing necessity concerning an appearance by the Prime Minister at a question and answer session before students in Vancouver yesterday, and reports in the press today that he indulged in displays of temper.

I would move, seconded by the hon. member for Capilano (Mr. Huntington)—

Mr. Speaker: Order, please. The hon. member for Prince George-Peace River (Mr. Oberle).

Mr. Cossitt: Mr. Speaker, on a point of order—

Some hon. Members: Sit down.

Mr. Speaker: Order. The hon. member for Prince George-Peace River.

* * *

● (1110)

FORESTRY

CALL FOR RETENTION OF FOREST INVENTORY PROGRAM—MOTION UNDER S.O. 43

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, having regard to the fact that as a result of recent efforts to reorganize and further devolve the Canadian Forestry Service, one of its crucial functions and programs, namely, the monitoring and management of forest inventories through remote sensing, will be phased out as a result of the departure of all scientific personnel attached to this program, I move, seconded by the hon. member for Burnaby-Richmond-Delta (Mr. Siddon):

S.O. 43

That this House require the minister of the environment to undertake whatever steps necessary to salvage whatever is left at the present time of this important program which has earned us recognition and a leading position in the world.

Mr. Speaker: Presentation of such a motion can be done only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

NATIONAL FILM BOARD

REQUEST GRANTS BE MADE TO ASSIST FRENCH MINORITIES OUTSIDE QUEBEC—MOTION UNDER S.O. 43

Mr. Jack Hare (St. Boniface): Mr. Speaker, pursuant to the terms of Standing Order 43, I ask for the unanimous consent of the House to present a motion dealing with an urgent and important matter.

As the grants of the National Film Board have been allocated in a punitive fashion with regard to the production of French films at St. Boniface and other Francophone centres outside Quebec, and as the production of films locally is an essential contribution to the cultural development of French minorities outside Quebec, I move, seconded by the hon. member for Edmonton West (Mr. Lambert):

That the Secretary of State (Mr. Roberts) instruct the National Film Board that grants be distributed equitably to ensure the Francophone public that facilities for the production of films are available in their locality.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

CONSUMER AFFAIRS

MINISTER'S ABSENCE FROM CHAMBER ON DAY CPI INCREASE PUBLISHED—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I rise under the provisions of the same Standing Order. According to his office, the Minister of Consumer and Corporate Affairs (Mr. Allmand) has absented himself from the House today, allegedly to deal with unspecified constituency matters but in fact to avoid dealing with today's alarming increase in the consumer price index.

[Mr. Oberle.]

Because this issue is of concern to ordinary Canadians, I move, seconded by the hon. member for Oshawa-Whitby (Mr. Broadbent):

That this House censure the Minister of Consumer and Corporate Affairs for his cowardly abandonment of his parliamentary duties.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member for Parry Sound-Muskoka (Mr. Darling).

* * *

HEALTH AND WELFARE

REQUEST THAT BAN ON SACCHARIN BE RECONSIDERED—MOTION UNDER S.O. 43

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I ask leave to move a motion under Standing Order 43 on a matter of urgent and pressing necessity.

Of late, the government has taken to flagrant and blatant violation of the operation of our free market economy and has adopted a paternalistic attitude toward the populace. A case in point is the ban on the use of saccharin, Canada being the only country to have done so. This has resulted in the near demise of a number of small businesses providing a livelihood for a large number of communities across Canada. I move, seconded by the hon. member for Leeds (Mr. Cossitt):

That the government withdraw from frequent and excessive intervention into the lives of Canadians, reconsider its ban on saccharin and leave the ultimate choice of the product and the price to the people of Canada.

Mr. Speaker: Presentation of such a motion for debate requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

CULTURAL AFFAIRS

REQUEST FOR GRANTS TO ASSIST AUTHORS TO PROVIDE LIBRARIES WITH FREE BOOKS—MOTION UNDER S.O. 43

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I rise under Standing Order 43 to ask for the unanimous consent of the House to move a motion on a very important matter.

In view of the financial straits Canadian authors find themselves in, especially the newer ones whose talents are unknown because publication costs are prohibitive, I move, seconded by the hon. member for Kamouraska (Mr. Dionne):

That the House instruct the government to make funds available to these authors so that they can deposit a copy of their work in every public library in the country.

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

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

REASON FOR HIGH LEVEL OF INFLATION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in the absence of the Minister of Finance, the President of the Board of Economic Development Ministers, and the Minister of Consumer and Corporate Affairs, I will direct my question to the Deputy Prime Minister. My question centres on the unfortunate 9.2 per cent level of inflation in this country this year as compared to last year.

● (1115)

Would the Deputy Prime Minister and President of the Privy Council give the House the official government excuse for inflation being so high? Is it because of a foreign problem or a provincial problem? Is it because of the fact that anchovies are not being found off the coast of South America, as Mr. Turner used to say, or is it because the American satellite is very close to Jupiter? Can he give us the official excuse?

Hon. Allan J. MacEachen (Deputy Prime Minister and President of Privy Council): Mr. Speaker, I am not interested in giving excuses with regard to the increases in prices that have been made public today. The hon. member could examine the situation, and he ought to know that the year to year increase is marginally greater than for the previous 12-month period. As the hon. member knows, if he wishes to read the material that has been made available, the principal cause for the increase in the CPI lies in the area of food prices.

He ought to know, as well, that the major component of that food price increase is the very substantial increase during the month in the price of beef. Hon. members spoke in the House on this subject earlier this week and they understand fully that this upward trend in beef prices arises from the normal beef cycle and the decision of producers to withhold sales in order to build up their herds. That is a fact. I have had the opportunity on previous occasions to mention the necessity of this development taking place. That is a fact; it is not an excuse. If the hon. member wants to read a little further, he will understand that the other major component of the increase in food prices relates to fresh vegetables which are imported from other countries.

Those are facts. The hon. member may want to deal in excuses, but I do not. Those are the facts that account for the situation.

Mr. Stevens: Mr. Speaker, my supplementary question is again directed to the Deputy Prime Minister and President of the Privy Council, who I think has in fact put the blame for rising prices on the backs of the farmers, which is contemptible.

Some hon. Members: Oh, oh!

Mr. Stevens: Will he confirm that, in fact, part of the cause of the rise in beef prices in this country is that this government has adopted a cheap dollar policy, which means that Canadians are now paying, on average, about 30 cents a pound more for their beef compared to American prices simply because this government determined it was in Canada's best interest to have an 80-cent dollar?

Mr. MacEachen: Mr. Speaker, the hon. member talks about an 80-cent dollar.

An hon. Member: Eighty-five cents.

Mr. MacEachen: He must have information that is unknown to the rest of us. Obviously, the price of beef at this time in our market is basically determined by its supply and demand. There is no intention of placing the blame on the backs of Canadian producers who went through a period of low prices, and as a result of that period of low prices we are faced with a decrease in supply. That is the main reason.

As the hon. member knows, as herds are built up, prices will decrease and we will go through, in a sense, a cycle in beef prices with which we are familiar.

Mr. Stevens: Mr. Speaker, I again direct my question to the Deputy Prime Minister and President of the Privy Council. Now that the government, through faulty fiscal and monetary steps has saddled us with this type of inflation, will the minister indicate if he thinks it is generally a good idea that grocery chains now propose to sell their goods through the use of credit cards, as is being suggested in Toronto?

● (1120)

Does the minister think that it is a good idea, or does he think it is unfortunate that, notwithstanding the high cost of food, people perhaps are being enticed to use credit cards which may cost them as much as 20 per cent in interest costs alone per year?

Mr. MacEachen: Mr. Speaker, one wonders about the seriousness of the hon. member's approach to questions of this kind in this House of Commons, when he attempts to relate the beef cycle to faulty fiscal and monetary policy.

Mr. Stevens: It is.

Mr. MacEachen: He is drawing a very long bow, and only in his own hallucinatory imagination could that become a reality,

because the beef cycle has nothing to do with monetary or fiscal policy.

Mr. Dick: Answer the question.

Mr. MacEachen: It has to do with the forces of supply and demand in the cattle market. The hon. member also asked about credit cards in supermarkets and what I think of the matter. What does he think? I have not formed any opinion on the subject.

PASSING ON OF SALES TAX CUTS TO CONSUMERS

Mrs. Jean E. Pigott (Ottawa-Carleton): Mr. Speaker, in the absence of the Minister of Finance, in the absence of the super minister and in the absence of the Prime Minister—

Some hon. Members: Oh, oh!

Mrs. Pigott: —I would like to ask a question.

Some hon. Members: Oh, oh!

Mrs. Pigott: Mr. Speaker, we are not running the country yet, but we will be here when we are.

Mr. Paproski: In our seats.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member for Ottawa-Carleton on a question.

Mrs. Pigott: Thank you, Mr. Speaker. They are not running the country, either. My question is to the Deputy Prime Minister.

Industry selling prices for the months of January and February show that the sales tax cut has not been passed on. It is now at 11 per cent. Could the minister explain why the tax cut has not been passed on, because with all his watchdogs he should know?

Hon. Allan J. MacEachen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I agree with the hon. member that the full effect of the reduction in the federal sales tax has not yet fully reached the retail level. It will, and when it does it will moderate the type of price increase which is of concern to the hon. member.

Mrs. Pigott: Mr. Speaker, I am very concerned about the 11 per cent increase. Could the Deputy Prime Minister tell us how he feels this 11 per cent increase will affect the goods which will go on the shelves of the supermarkets and department stores? Could he tell us what the effect will be on the index over the next few months?

Mr. MacEachen: Mr. Speaker, the hon. member has referred to an 11 per cent increase. I must say I do not understand to which increase she is referring. I am not aware of an 11 per cent increase in the cost of living either for this month or for year to year.

INCREASE IN PRICE OF CLOTHING

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, the government, this morning, has been evasive in general about its responsibilities with regard to prices. I have a particular item which was brought to the government's attention three weeks ago. My question is to the Minister of National Revenue.

Considering that price increases in clothing for men, women and children are now at an annual rate of 13 per cent, and considering that more than three weeks ago a group of Canadian clothing manufacturers submitted a brief to the minister which specifically pointed out that Canadian textile companies, "are taking advantage of their tariff and quota protection by pricing up to landed import prices", could the minister tell the House, since he was informed of this matter—I have a copy of the submission which was more than three weeks ago—if he brought this reprehensible practice of the textile companies to the attention of his cabinet colleagues? If so, what action has been taken?

Hon. A. C. Abbott (Minister of National Revenue and Minister of State (Small Business)): Mr. Speaker, the hon. member is correct that a meeting was held with that group. A number of points were discussed with me at that meeting on the whole problem of the potential increase in clothing prices. I am very much concerned that there not be any exploitation of the circumstances surrounding the clothing quotas, or the lower value of the dollar, to impose higher prices on the public.

• (1125)

The point the hon. member raised is not one that we are unfamiliar with—the question has been raised before—but it is a matter of evidence, a matter of inquiry and a matter of investigation. I can assure him that we took the representations very seriously and we are continuing to look into the question.

Mr. Knowles (Winnipeg North Centre): Another "looking into" minister.

Mr. Broadbent: Mr. Speaker, we have another minister who wants to look into the causes of increased prices. The other minister who is out of the House has been doing that for months and we have not had any action. Considering that almost every textile company in the country in the last quarter of 1978 had substantial increases in profits, specifically the Dominion Textile Limited which increased its sales by only 14 per cent in the last quarter of 1978 but increased its profits by 34 per cent, and considering that Canadian clothing manufacturers want something done to bring the price of women's and children's clothing down to a reasonable level, when is the minister going to take some action to bring about rollbacks in unjustified price increases in these areas which have been brought to his attention?

Mr. Abbott: Mr. Speaker, when the hon. member says that we are "looking into" something, I would point out that he makes many unsupported allegations in this House. If we were to take them all at face value without any investigation, it would be ridiculous.

Mr. Broadbent: Name one.

Mr. Abbott: I could not begin to name them all. His misuse of the improvement in profits figures is another way that he misrepresents the facts. He does not give any background on what the profit picture was at Dominion Textiles a year earlier; whether there was an adequate return on investment or whether they had serious unemployment problems in places like Magog and Sherbrooke. He does not refer to any of that, but they are problems of very real interest to people working in those plants.

The question of whether foreign textiles are being purchased by Canadian manufacturers at a higher price than should be the case, and whether this is imposing on consumers higher prices than they should have to pay cannot be dealt with in the usual superficial manner of the hon. member. We have to examine the facts and ascertain whether a change of legislation or policy will be required. It is not simply a matter of profiteering by other countries; it is a matter of investigating to see whether the circumstances justify a change.

Mr. Broadbent: A final supplementary question, Mr. Speaker. We are simply interested in dealing with unfair increases in prices. For example, other companies in the business sector have brought to the minister's attention the fact that textile companies in Canada have increased their prices to correspond with increases in the prices of Japanese imports because of the declining value of the Canadian dollar. That makes sense for imported textiles, but it makes no sense for Canadian-produced textiles.

According to Canadian manufacturers of clothing, the textile companies are making rip-off profits. Will the minister take some action so that the Canadian consumer may receive some benefit?

Mr. Abbott: Again, Mr. Speaker, I do not think the hon. member offers any substantiation for his point that there have been rip-off profits by Canadian manufacturers of clothing.

Mr. Broadbent: Textiles, not clothing.

Mr. Abbott: He spoke of a 34 per cent increase for Dominion Textile, without any reference to their profits a year earlier and whether they were adequate. I simply state that this is a complex question. In 1978, our departmental officials initiated an investigation. Japan, South Korea, Taiwan and Hong Kong were notified of the proper, fair market value. As to the Japanese portion of the review, our officials have carried out further investigations but a decision has not yet been made.

The hon. member should realize that these are not easy problems to deal with. The whole pricing apparatus in respect of goods from these countries is extremely complex. For us to act arbitrarily, just because a brief has been brought in, without having the facts would be as irresponsible as some of the statements the hon. member repeatedly makes in this House about increased profits.

* * *

• (1130)

[*Translation*]

SOCIAL SECURITY

REQUEST THAT SINGLE PERSONS BECOME ELIGIBLE FOR OLD AGE PENSION AT 60—GOVERNMENT POSITION

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare. When it held its 8th annual convention, the Fédération de l'Âge d'Or du Québec drafted a resolution calling on the minister and the Canadian government to provide old age security pension payments to all single senior citizens between the ages of 60 and 65. Could the minister indicate to us what her position is concerning this resolution and these senior citizens who I feel should be paid this pension?

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, I do not see why the hon. member is asking such a question at this time, in this pre-election period, unless he wants me to say that funds are available, when in fact none are. He is aware that I took part in this convention which was held in late September, that several of the resolutions made by FADOQ have been accepted, that the federation supported Bill C-5, which increased considerably income supplement payments for 60 per cent of older Quebeckers, which represents $82 million more for senior citizens in Quebec. But lowering the age of entitlement for needy Canadians from 65 to 60 is unthinkable, at this time anyway.

Mr. Laprise: Mr. Speaker, I have a supplementary for the minister. I would like to know why they are trying to ignore the issue since that seems to be the general consensus not only among people between 60 and 65 but among all Canadians as well. And I would like to know whether rejection of that demand is due to a lack of money or the fact that the minister did not believe the goods and services industry in Canada can meet the needs of those people?

Miss Bégin: I do not know exactly what the hon. member means by the goods and services industry. If he is referring to private pensions, it is clear those pensions of Canadians are unfortunately very disappointing in most cases. Nearly all of them have no form of indexing to reflect the value of the dollar, and they are not even universal. Of course, there are still many that discriminate against women. They are not portable when the employee leaves his job. From that point of view, there are many things the private sector could be doing to update those pensions. On the government side, as the

economic resources of the country are always limited, we are concentrating our efforts on helping most disadvantaged senior Canadians. Such are our first priorities. So I have not rejected the FADOQ recommendation, as the hon. member is suggesting, I simply said that our efforts are going to go where they are most urgently needed. It is very urgent to improve even more than we have done the lot of older people getting the supplement because some of them are still below the poverty level. I will look after those over 65 first.

* * *

[*English*]

THE CANADIAN ECONOMY

DEVALUED CANADIAN DOLLAR—EFFECT ON DOMESTIC BEEF PRICES

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Deputy Prime Minister. Is it the position of the Deputy Prime Minister that because the Canadian dollar is selling at a discount, this has no effect on domestic beef prices?

Hon. Allan J. MacEachen (Deputy Prime Minister and President of Privy Council): No, Mr. Speaker, that is not my position at all. The commodity about which we exchanged questions and answers has a history and a life of its own that may be influenced by the exchange rate, but the main influence comes from the forces of supply and demand.

Mr. Gillies: Mr. Speaker, given the fact that beef today is selling at $70 per hundredweight in Omaha and $84 per hundredweight in Toronto, the difference is exactly the difference in the exchange rate. Surely the minister must understand that the depreciation of the dollar is one of the major reasons for the increase in the price of beef in Canada today. It is exactly the differential.

I ask the Deputy Prime Minister, and I ask him in terms of his previous reincarnation as an economist, is it the position of the government that we can get inflation under control in this country as long as we have a stance on monetary and fiscal policy—I notice the increase in the money supply is 10 per cent, year over year, with real growth at 3 per cent—that leaves us with an exchange rate at 85 cents? I am not talking about pegging the dollar; I am talking about a change in the structure of monetary and fiscal policy to get the dollar up in order to control inflation. Is it the government's position that they need do nothing about that?

Mr. MacEachen: Mr. Speaker, the hon. member has asked me quite a number of questions—

Mr. Hnatyshyn: Answer any one of them.

Mr. MacEachen: —in his statement. I want to tell him that the recent strength of the Canadian dollar, which I am sure the hon. member applauds, will to some extent moderate the force on inflation that arises from imports. It is clear that it will have its effect on Canadian prices. I should advise the hon. member that whatever differential exists between the price of Canadian beef and American beef, that price differential has been registered in an increased movement of American beef into the Canadian market.

With respect to his question on inflation, was it the position of the government that one could contend with inflation entirely through fiscal and monetary policy, it is certainly not my position or that of the government that, in itself, fiscal and monetary policy can counter the forces of inflation. I believe the experience of this country and other countries shows that the harsh application of fiscal and monetary policy in the battle against inflation can be quite counterproductive as a sole weapon; that there are other instruments required as well.

REQUEST FOR PREDICTION OF FUTURE RATE OF INFLATION

Hon. Robert L. Stanfield (Halifax): Mr. Speaker, my question is for the Deputy Prime Minister who said he was interested in facts relating to inflation. One fact is, of course, that two or three years ago the government predicted that the rate of inflation by last October would be down some 4 per cent. Unfortunately, it is not.

Can the Deputy Prime Minister indicate what the rate of inflation will be in the coming months? Is it still his position that the rate of inflation is going to settle down, that it is going to reduce, and what does he think will bring this about? Can he give us something firm to go on, in view of the unfortunate predictions and assurances that have been given in the past?

Mr. Hnatyshyn: Over the next three months, for example.

Hon. Allan J. MacEachen (Deputy Prime Minister and President of Privy Council): Mr. Speaker, I would say, first of all, that there are some positive signs. I do not for a moment believe that in the next several months, as the hon. member has requested, the price of beef, for example, will show a noticeable decrease.

We have noted in the past week that the price of fresh vegetables has decreased, according to newspaper advertisements. I know that the price of coffee in the commodity markets has decreased, and that will have some effect on the consumer index. I believe, also, that the strength of the Canadian dollar gives us some reason to believe that inflation may ease a bit. I believe a change in consumer buying and the reaction of consumers to the price and supply situation will have some effect as well. I believe there are some positive signs showing for the next few months, but I certainly cannot give the hon. members any precise indication as to what the rate will be three or four months from now.

Mr. Stanfield: Mr. Speaker, I must compliment the Deputy Prime Minister in one respect at least. I think he is being honest: he is not predicting any reduction in the rate of inflation, although he sees some hopeful signs. I do not want to misinterpret him, but in view of the policy of the government which is, as far as one can see, the establishment of a Mickey Mouse surveillance operation, and in view of the position of

the Deputy Prime Minister today that while he sees some hopeful signs, he is not able to give the Canadian people any assurance, is it not fair to assume that we have to expect, under this government, the continuation of a rate of inflation around 8.5, 9, 10 or 11 per cent?

● (1140)

Can the Deputy Prime Minister give us any reason to believe that with the policies of this government, or the policies he has described this morning, we can look forward to the return of a sensible degree of stability?

Mr. MacEachen: Mr. Speaker, may I add to the very positive signs I mentioned to the hon. member the fact that the government did, through a ways and means motion tabled by the Minister of Finance, affect the prices of a wide range of imported fruits and vegetables. That will have some effect.

I believe the hon. member is more pessimistic than I would be when he talks about a range of inflation for 1979 of 9, 10, 11 and 12 per cent. That is much too pessimistic in my view. I think our performance will be better than that, because it is better now than the United States. The hon. member will be pleased to note that the year to year, 12-month performance of Canada with respect to the United States is somewhat better, and the performance of the Canadian index is considerably better than the United States in the non-food component. However, we are faced with strong pressures on the food component of the cost of living index for reasons which I have described, which in my view will be moderate for reasons I have also described.

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EXTERNAL AFFAIRS

SUGGESTED MOVE OF AIR CANADA FROM HEATHROW TO GATWICK AIRPORT—GOVERNMENT POSITION

Mr. Ross Milne (Peel-Dufferin-Simcoe): Mr. Speaker, I am sure many honourable members and many other Canadians are very concerned about the negative impact that the proposed move of Air Canada from Heathrow to Gatwick, in London, will have.

I would ask the Secretary of State for External Affairs: in addition to the strong and welcome statement made recently by Mr. Martin, the Canadian High Commissioner, will the government back Air Canada and its president, Mr. Taylor, should they decide to deny tendering privileges to United Kingdom suppliers of their intended purchases and any other actions they might be able to take to resolve this issue in favour of Air Canada retaining landing rights at Heathrow?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I have said on previous occasions in the House and I have conveyed to the British authorities our wish to keep the issue of Heathrow versus Gatwick separate from any negotiations that might be going on or any other relationship we might have in air matters.

However, I am quite prepared to agree with the conclusions drawn, I gather, by Mr. Taylor and by others who have spoken on this matter, including some members opposite, that if we find there is no willingness on the part of the British government to renegotiate this matter, then obviously it is going to have an effect on the over-all relationship in air matters between ourselves and the United Kingdom.

I want to make it perfectly clear that we are not at this moment threatening one against the other. In other workds, what Mr. Taylor was saying in his speech—and I have no ground for argument with what he said—was that there is a wide range of alternatives open to the government and to Air Canada in the event the British government refuses to co-operate. However, he did not link the two. Consequently, I do not propose to do so formally at this point. I think it is perfectly clear that if there is a failure on the part of the British government to accommodate Canadian interests in this matter, obviously it will have a spillover effect on other matters involving both countries.

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I have a supplementary question for the Secretary of State for External Affairs. The president of Air Canada said that the main leverage the Canadian government has in the Gatwick airport dispute lies in the right of British Airways to operate in Canada. Is this a matter presently under active consideration by the federal government of Canada? Are any contingency plans being considered by the Ministry of Transport in relation to this matter?

Mr. Jamieson: Mr. Speaker, I am sure the honourable member will appreciate, because he has been very co-operative on this issue, that I have chosen my words this morning quite carefully. We are not formally negotiating and saying that either we stay in Heathrow or such and such a thing will happen. I am most anxious, in the interests of good relations between Canada and the United Kingdom, to deal with the Heathrow issue on its own merits. Consequently, we have not in a sense imposed any threats or any hints of sanctions of that nature in a formal way.

I reiterate the point that if there is no response to this quite reasonable and, I think, fair representation made by our High Commissioner and now by the president of Air Canada, clearly we will have to look at alternatives. That should make it clear to the hon. member that an examination has been made of what are those alternatives. He can be assured that Canadian interests in this matter are being very, very carefully looked at.

I emphasize once again that I still have confidence the British government will recognize that Air Canada was one of the first airlines to use Heathrow, that there is a strong, centuries-long relationship between us and that consequently, as a senior member of the Commonwealth, we deserve better treatment than to be tossed out of Heathrow.

Some hon. Members: Hear, hear!

Mr. Mazankowski: I appreciate the answer of the minister. However, the diplomatic exchange method seems to have failed. Is the Canadian government now considering ways and means to beef up the Canadian arsenal in support of Air Canada in this very important matter?

Mr. Jamieson: Mr. Speaker, I would not want to acknowledge that efforts have failed. I told the House some time ago, in response to a question by the right hon. member for Prince Albert, that representations had been made at the highest level and that I had obtained an interim response from the foreign secretary, Mr. Owen, which did not slam the door, in effect. It indicated that further negotiations and discussions were going to take place. I hope I will have an opportunity to talk to Mr. Owen in New York when we proceed there for the Namibia talks over the weekend and that I can, indeed, keep this matter under negotiation. In that context, it certainly has not been a total rejection or even a partial rejection of the Canadian representations to this point in time.

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CONSUMER AFFAIRS

INCREASE IN PRICE OF BREAD—EXPLANATION THEREFOR

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, in the absence of the Minister of Consumer and Corporate Affairs I will direct my question to the Minister of Agriculture. It concerns the CPI increase of 13 per cent in the price of bread over the last few months.

A letter we have from the minister of consumer affairs states that the price of flour is up by 25 per cent. When the wheat subsidy was taken off bread, which amounted to about 3.2 cents per loaf, the price of a loaf of bread went up by seven cents. The subsidy on flour was 22 cents for 5½ pounds. The price went up by 44 cents. Can the minister explain why the market at the retail level went up twice as high as the actual increase in the cost of the raw material, which was flour?

[*Translation*]

Hon. E. F. Whelan (Minister of Agriculture): No, Mr. Speaker.

[*English*]

Mr. Nystrom: Mr. Speaker, I am almost speechless. This is the first time we have had an honest answer and a short answer from the Minister of Agriculture. He has lost his bull.

In view of the tremendous increase in the price of bread and flour in this country, will the minister try to persuade the cabinet to inquire why the retail price has gone up so much when the price of the raw material was much lower? At the same time, will he try to persuade the cabinet to reinstate the subsidy on bread, milk and flour, which commodities are so vital to Canadians?

Mr. Whelan: Mr. Speaker, I would say, even before the day that tomorrow is going to be, maybe we can have the little people help us, because the hon. member certainly is not helping us. We should have full information on this. The hon. member wants a simple answer to a very detailed question. We know, for example, that if we give our wheat away it will only lower the price of a 32-ounce loaf of bread by 11 cents. All the other costs involved are in relation to production, transportation, distribution and so forth.

• (1150)

We do not hear very much about waste, but I am told that in the large metropolitan Toronto area, well over 100,000 loaves of bread which are not consumed and which become stale are thrown away. They go into either incinerators or the garbage. That is part of the cost involved. If the hon. member wants a more detailed answer, there is enough information that I could go on even until tomorrow.

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NATIONAL SECURITY

METHODS AND PROCEDURES FOLLOWED BY SECURITY SERVICE

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, in the absence of the Solicitor General I will direct my question to the Deputy Prime Minister. As a result of a specific government direction in 1969, certain political groups, including the Parti Québécois and others, became the objects of security service investigation. The first report as a result of that investigation which identified these groups and described them in some detail was described by the Prime Minister as, and I quote, "a damn good piece of work".

Given that specific direction, given government knowledge as to which groups were involved and their nature, did no solicitor general, minister of justice, prime minister or any member of the cabinet committee on security and intelligence ever ask the security service what methods and procedures it was using to fulfil the mandate the government had given it?

Hon. Allan J. MacEachen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I cannot really answer the latter part of the question because I do not agree with the premise of the question.

Mr. Jarvis: Mr. Speaker, obviously the Deputy Prime Minister does not agree with sworn testimony before a royal commission established by the government. Giving the benefit of any doubt as to lack of government knowledge—and one would give the benefit of that doubt only because of a series of incompetent solicitors general—what is government policy with respect to senior public servants and their continued employment when such public servants withhold deliberately vital information from the ministers to whom they are responsible?

Mr. MacEachen: Mr. Speaker, more than once in the House the Prime Minister and I have had occasion to express the opinion that it is unwise at this stage to comment upon sworn testimony, even before the McDonald commission. The last time we debated this question we spent a day debating the testimony of a particular witness whose testimony had not even

been completed and who had not been cross-examined by any of the other solicitors. It seems to me that that is a very unwise procedure in the House of Commons, and certainly it would be unwise for me to comment upon what the hon. member describes as sworn testimony which to my knowledge may not yet be completed.

The hon. member's first question was based upon the premise that an investigation, as I understood it, had been ordered by the government into political parties of this country, or a political party. I want to assure the hon. member that that is not the case and never has been.

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NATIONAL CAPITAL COMMISSION

REASON FOR NOT LEASING BUILDING ON YORK STREET

Mr. Robert de Cotret (Ottawa Centre): Mr. Speaker, in the absence of the minister responsible for the National Capital Commission I would like to direct my question to the President of the Treasury Board, since he controls the purse-strings.

In light of the fact that the government's $6 million investment on York Street, in Ottawa, is costing Canadian taxpayers approximately $60,000 a month in carrying charges, can the minister explain whether there has been any progress in the move toward leasing this building, a building which has been sitting empty for at least two years? If so, are the terms of the lease now contemplated in any manner different from the terms of the public tender which was let over a year ago?

Hon. Judd Buchanan (President of the Treasury Board): Mr. Speaker, that is a question to which I do not have a detailed response. I suggest the hon. member should wait and direct it to the appropriate minister.

Mr. de Cotret: Mr. Speaker, I will ask a more general question about the basic principle here. Can the minister give assurances to this House that the full cost of the development at 10-12-18 York Street, in Ottawa, including not only development costs, the cost of rare wines and tapestries and other imported antiques, but also those of interest and other carrying charges will be fully recovered and that no public moneys will be used to subsidize in any way the planned commercial development of that property? That is a question of principle and basic policy.

Mr. Buchanan: Mr. Speaker, again that question should be addressed to the appropriate minister. I am not sure whether this falls under the program of Demonstration Projects which comes within the ambit of Urban Affairs. I know there are certain programs across this nation under which heritage buildings and buildings of that nature are preserved. Under such programs it is not always possible to secure full economic rent. For this and other purposes it is judged that certain buildings should be preserved. Whether that pertains in this case, I do not know, but I reiterate that the question should be addressed to the appropriate minister.

Oral Questions

HEALTH AND WELFARE

REQUEST THAT BAN ON SACCHARIN BE RECONSIDERED

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I would like to pose a question to the Minister of National Health and Welfare. No other country in the world except Holland has considered rat tests to be sufficient to warrant a ban on saccharin. Smoking and coffee consumption are also suspected causes of bladder cancer, and both are practised more than saccharin use. Saccharin poses no known hazard to human health and, in fact, provides relief to the diabetic.

Will the minister explain why the decision of a handful of bureaucrats has successfully created an aura of suspicion and mistrust to convince the minister to take the harsh decision to ban saccharin, and is the minister willing to review the decision and make an announcement in the near future?

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, the answer is no. The premise of the hon. member's question is erroneous and misleading to the public. A handful of Canadian bureaucrats did not make a decision out of the blue sky. The decision was made after a thorough study of scientific reports available to the western world. That was the basis of the Canadian decision close to two years ago. A commission of European communities recently confirmed that the way Canada handled the saccharin question to protect the Canadian public was the best way, given the state of knowledge at that time.

Mr. Darling: Mr. Speaker, I just want to confirm that Canada is still the only country which has banned saccharin. While the minister is reconsidering her decision, which I presume has already been made, would she take into consideration the fact that a large number of Canadians living in rural areas are inconvenienced by having to travel to distant drug stores to obtain products containing saccharin?

Does the minister not agree that the policy should be to label the contents of products, and not ban saccharin, thereby leaving the ultimate choice of product and price to the Canadian people? The so-called protective benevolence of the government has reached an aggressive level.

Miss Bégin: Mr. Speaker, the only answer I will give to that convoluted question is that saccharin is known to cause cancer. Studies of other products which may eventually replace saccharin will continue. Incidentally, saccharin has not been banned; it has been restricted to pharmaceuticals. It is available in pharmacies and is controlled. That is what we have done in Canada. The purpose of the Department of National Health and Welfare and the Food and Drugs Act is, surely, to protect Canadians from suspected hazards and risks, and that is what we have done.

Oral Questions

CANADIAN BROADCASTING CORPORATION

VANCOUVER—TELEVISION RECEPTION OF PROCEEDINGS OF HOUSE OF COMMONS

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, my question is for the Secretary of State. As the minister will know, this House authorized the broadcasting, on a live basis, of the proceedings of the House to be transmitted by the Canadian Broadcasting Corporation.

I would like to ask the minister why it is that the CBC was unable, as of three-quarters of an hour ago, to bring this service to the city of Vancouver, and when he might expect that to begin.

● (1200)

Hon. John Roberts (Secretary of State): Mr. Speaker, I am not sure of the arrangements which have been made. Of course, arrangements have been made in conjunction with cable companies across the country, and it may be that there is some difficulty in the Vancouver area with finding a cable company interested in availing itself of the services which the CBC is offering. I will look into the matter and report back to the hon. member.

* * *

SMALL BUSINESS

LOANS UNDER SMALL BUSINESSES LOANS ACT

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, my question is for the Minister of National Revenue and Minister of State for Small Business, and it has to do with loans made under the Small Businesses Loans Act.

Statistics issued by the minister's department last week tell of drastic increases in the number of loans made in 1978. However, many small businesses in southern Ontario still find that bankers will not make loans under the act. Can the minister say when he will take steps to put teeth into the legislation so that more small businesses can take advantage of this program?

Hon. A. C. Abbott (Minister of National Revenue and Minister of State (Small Business)): Mr. Speaker, unquestionably the banks have in the past shown a lack of enthusiasm for the Small Businesses Loans Act, but the statistics last year, considering that the changes were only implemented in March or April, indicate that well over twice the number of loans were made under the act in 1978 compared with the previous year.

A good many more Canadian businesses are applying and qualifying for loans under the act, and I feel sure that if the hon. member encourages bankers in his own area, as I do, to offer the benefits under the act, more businessmen will be able to take advantage of it. The fact is that it is a useful act and that more businessmen and bankers are taking advantage of it every day.

[Miss Bégin.]

Mr. Scott (Victoria-Haliburton): Departmental statistics show an increase last year of over 750 loans in Quebec and over 500 in British Columbia. Yet in Ontario the increase was only 275 loans. Can the minister explain why action is not taken to make these loans equally available to Ontario businessmen who find their applications rejected by bankers who would rather make loans at higher interest rates than those provided by the act?

Mr. Abbott: I do not doubt that when the hon. member offers some numbers, he is drawing them from some source, but I would like to check those figures. I question the figure stated by the hon. member when he says that only 275 loans were made in Ontario under that act; I cannot believe that that is accurate.

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PRIVILEGE

MR. COSSITT—DISALLOWANCE OF STANDING ORDER 43 MOTION

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise on a question of privilege which stems from my motion under Standing Order 43 which I attempted to raise in the House a short while ago, and I do so with all due respect to the Chair. I should like to make, if I may, the following points. First, in dealing with the preamble to the motion which I was not permitted to read, I would say that it was short and could not be ruled out on the basis of being lengthy. It is probably one of the shortest preambles—

Mr. Speaker: Order. Before the hon. member goes any further I have to call to his attention a ruling which I made in the House about a month ago, on February 13, which was, as he knows, a ruling made after a prolonged discussion of motions pursuant to Standing Order 43 and the entire procedure in respect of that. That discussion took place before Christmas and I reserved my judgment on it for a very long time.

As I indicated in the ruling—and I want to quote the specific language which appears at page 3164 of *Hansard*—there was a consensus on all sides of the House that enforcement of that order should be a little more rigid in order to rule out a number of applications of a certain nature which might be of interest to the House but do not appear to be urgent. On that day I said the following:

> Drawing upon this consensus, I hope members have noticed that since the day of this discussion I have intervened on several occasions to reject applications from both sides of the House which contained inflammatory preambles which are of a purely partisan nature, which lack urgency, and which are frivolous; and even today I set aside one of those applications which came from the government side of the House.

On that day, the hon. member may recall, the application which I set aside was made by a member on the government side to introduce a motion pursuant to Standing Order 43, and the preamble was critical of the Leader of the Opposition (Mr. Clark) and about some speech he had made. I did not permit him to go even so far as to put the motion because, drawing, as

I had indicated, on the consensus which appeared from all sides of the House, applications for motions pursuant to Standing Order 43 which relate to some speech made by a member of the House and seek to be critical of it in some way fall on several grounds. In the first place, they are of a purely partisan nature; and in the second place, in my opinion, they totally lack the urgency and the pressing necessity required under the rule. With the consensus of members of the House I intervened on that occasion and on several other occasions.

Later this morning, after the hon. member's application, the hon. member for Yorkton-Melville (Mr. Nystrom) sought to put a motion the preamble to which had to do with the absence of the Minister of Consumer and Corporate Affairs (Mr. Allmand). In that particular case it may very well have been that the hon. member's motion would relate to food prices, in which case I would have been obliged to put it to the House. In fact, I listened to the motion and found that it did not, that it related to the absence of the minister on this day. Therefore, I did not put the question to the House, but I had to hear it in order to make that determination.

In the case of the hon. member for Leeds (Mr. Cossitt), he referred to a speech made in Vancouver yesterday by the Prime Minister (Mr. Trudeau) and to some reports that the Prime Minister, during the course of that speech, had lost his temper. I do not have to go any further to tell him that that is not the proper use of Standing Order 43 and I do not have to hear the motion.

Mr. Cossitt: Mr. Speaker, may I be permitted to finish my question of privilege. I think you used the words, sir, that there has been a consensus that motions under Standing Order 43 can be ruled out in some cases if they are inflammatory. May I say with all respect, sir, that in no way was the preamble to my motion inflammatory. I quoted three words from the news services which were widely circulated throughout the country. They were not my words and they were in quotes, but I will not read them at this time. I realize that at one time there was a rule in Beauchesne which stated that members should not quote from newspapers, but I am also given to understand that the latest edition of Beauchesne's rules states that, if former rules were adhered to the fullest extent, it would become impossible to ask almost any question in the House. I do not believe that my preamble could be considered inflammatory.

With regard to the motion itself, as it was not read—I do not think it is possible to judge whether or not it was of urgent and pressing necessity. Had the Chair heard the motion, I could then well understand that the Chair could make a ruling as to whether or not it was indeed of urgent and pressing necessity. In the seven years that I have been in the House—and maybe it has happened on a day when I have not been here—I do not recall a member being cut off before he was at least allowed the privilege of beginning to read his motion to indicate whether or not there is something about it that is out of order.

I only wish to refer, sir, in substance, to what I intended to do, and that was simply to reaffirm, not just that the Prime Minister but that the leaders of all political parties in Canada should be prepared to listen to the youth of this country, to their suggestions and their questions on national issues, without being called "creeps", without being held up to ridicule, and without threats to walk off the stage. That happened yesterday, and I think it is a matter of urgent and pressing necessity. I would say the same if the Leader of the Opposition (Mr. Clark) had indulged in similar tactics, which I know of course he would not.

May I conclude by saying these few words. We sit in the House for various reasons, not the least of them being to set an example to the Canadian people, and particularly to the younger Canadian people who will follow us and sit here. Therefore, when something is very much out of order in the opinion of one member, regardless whether he is right or wrong, at least he deserves the right to be heard and to express his opinion on the actions of a political leader. I notice, Mr. Speaker, that usually with most members of the House you have a willingness at least to hear the motion before a motion is made—

Mr. Speaker: Order, please. There is no need to carry this any further. I have indicated to the hon. member—and I have invited him to check the record—that on several occasions I have done exactly what I did with him this morning. If the hon. member wishes, I can cite specifically the day on which I made that ruling. If the hon. member would like to check the record for February 13, he will see that I did so to a government member who sought, by way of a preamble, to introduce a motion which I believe would have been critical of the hon. Leader of the Opposition (Mr. Clark). I did not regard that as a proper use of the rules; I did not regard his preamble as a proper use of the rules, and I took precisely the same action and the same decision on both occasions. The hon. member has no point of order or question of privilege.

• (1210)

Mr. Cossitt: Mr. Speaker, on a question of privilege.

Mr. Speaker: Order, please. The hon. member for Edmonton Centre (Mr. Paproski).

Mr. Cossitt: Mr. Speaker, on a further question of privilege—a further question of privilege.

Some hon. Members: Sit down.

Mr. Speaker: The hon. member for Edmonton Centre.

Mr. Cossitt: Mr. Speaker, on a further question of privilege, which is my right.

Mr. Speaker: Order, please.

Some hon. Members: Order, order.

Mr. Speaker: The hon. member for Edmonton Centre.

Mr. Cossitt: Mr. Speaker, how can you prejudge me?

Some hon. Members: Sit down.

Point of Order—Mr. Pinard

Mr. Cossitt: Mr. Speaker, you are prejudiced against the hon. member for Leeds and certain other members of this House.

Mr. Speaker: Order, please. The hon. member for Edmonton Centre has the floor.

Some hon. Members: Sit down.

Mr. Cossitt: I do not feel I have to sit down, sir.

* * *

ST. PATRICK'S DAY

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, as one who is a descendant of a long line of O'Proskis I do not think this day should go by without wishing all those who are Irish and those who wish they were, like the McGraths, the O'Hnatyshyns, the O'Mazankowskis, the O'Jeromes, the O'Diefenbakers and many others, a very happy St. Patrick's Day: Erin go Bragh.

Some hon. Members: Hear, hear!

* * *

[*Translation*]

POINT OF ORDER

MR. PINARD—BILL C-42—POSSIBLE LIMITATION OF DEBATE

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I would like to correct an error.

In yesterday's *Hansard* page 4215, I am reported as saying:

Let me explain, Mr. Speaker. There are two possible ways to limit the debate under our rules.

Standing Order 33, and a little further on I mentioned S.O. 75A, 75B and 75C and, Mr. Speaker, on the same page, my hon. colleague from Grenville-Carleton (Mr. Baker) said in English, and I quote:

[*English*]

What I am saying is that when the government already has the power to allocate time under Standing Order 75, it is inappropriate to put that into a statute.

[*Translation*]

Mr. Speaker, my point is that we both referred inadvertently to Standing Order 75, which does not apply to the kind of motion for which three days of debate are reserved under Bill C-42. Only Standing Order 33 could apply, because Standing Order 75 with its provision for limits on speeches, only covers public bills, as it is clear from the standing orders.

Therefore, I did not want to mislead the House and I am sure the Conservative House leader had no such intention either when he opposed the three-day limit provided for in clause 11 of Bill C-42, suggesting that such a limit be deleted and reference made to the standing orders. Mr. Speaker, Standing Order 75 does not apply because what is involved in the legislation is "a motion to adopt order" that can be debated for three days.

Because we are dealing with a motion rather than a public bill, there can be no limits to speeches under Standing Orders 75A, 75B or 75C. The only way open to the government, failing that three-day statutory provision would be a formal closure under Standing Order 33. The opposition are asking in advance the government for something quite unusual. They are saying: "Do not set a time limit that would allow us to debate the motion to adopt order in case of emergency. Use closure!"

I therefore submit, Mr. Speaker, that clearly the opposition do not have a serious point when opposing the three-day limit in the legislation. All they want is delaying unduly the legislation, and the only possible way—

[*English*]

Mr. Speaker: Order, please. The hon. member for Saskatoon-Biggar (Mr. Hnatyshyn).

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I am glad Your Honour interrupted the parliamentary secretary because obviously and clearly that is not a point of order. It is an attempt to smuggle in, during the course of a point of order, a question of debate on a matter now before the House.

Mr. Pinard: No, no.

Mr. Hnatyshyn: The parliamentary secretary raised objection with respect to the amendment put forward by the hon. member for Northumberland- Durham (Mr. Lawrence) which would do away with the arbitrary closure imposed in the terms of that legislation.

Mr. Pinard: The hon. member did not understand.

Mr. Hnatyshyn: The parliamentary secretary can participate in the debate, but the fact of the matter is that this is an infringement of traditional parliamentary rights, and he knows it. To smuggle this in, in terms of a point of order, is reprehensible.

Mr. Pinard: It was the correction of an error.

Mr. Speaker: Order, please. Certainly the correction of an error in *Hansard* should be confined entirely to that. In the circumstances I must say that today the parliamentary secretary went a great deal further than he needed to correct *Hansard*.

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

TABLING OF EXTRACT FROM MINUTES OF MEETING OF COMMISSIONERS OF INTERNAL ECONOMY RESPECTING SALARY REVISIONS

Mr. Speaker: I have the honour to lay upon the Table copies of an extract from the minutes of a meeting of the Commissioners of Internal Economy of the House of Commons, held on Wednesday, March 14, 1979, concerning salary revisions of employees of the House of Commons.

* * *

[*Translation*]

HUMAN RIGHTS COMMISSION

PRESENTATION OF ANNUAL REPORT, 1978

Hon. Marc Lalonde (Minister of Justice): Mr. Speaker, I would like to table in both official languages copies of the 1978 annual report of the Canadian Human Rights Commission.

* * *

[*English*]

NATIONAL ENERGY BOARD ACT

MEASURE TO AMEND

Mr. Speaker: Before putting the question to the House, I might say that I have examined the bill. I have found in some clauses a possibility of an infringement upon the prerogatives of the Crown respecting public expenses. There may be other curative provisions in the bill, but I want simply to file a caveat with the House at this time that I have observed these procedural problems. We have addressed ourselves to them in a preliminary way. While the bill will be read a first time, it is done with the caution, at the time the bill comes forward for actual consideration by the House, that first these procedural matters will have to be examined. They will have to be addressed and a ruling will have to be made by the Chair.

Mr. Knowles (Winnipeg North Centre): Send it back to the Senate.

Mr. Ralph E. Goodale (Assiniboia) moved the first reading of Bill S-12 (from the Senate), to amend the National Energy Board Act.

Motion agreed to and bill read the first time.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Order Paper Questions

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 514, 857 and 1,187.

Mr. Speaker, I ask that the remaining questions be allowed to stand.

[*Text*]

LOTO CANADA

Question No. 514—**Mr. Jelinek:**

1. What was the volume, in dollars, of each Loto Canada draw, by province, since December 5, 1976?

2. What amount was spent on each Loto Canada draw, by province, for (a) advertising and public relations (b) administration costs?

3. What were the net proceeds from each Loto Canada draw, by province?

4. What portion of net profits was directed to sports and recreation from each Loto Canada draw, by province?

5. What was the total breakdown of (a) gross (b) net proceeds, from each Loto Canada draw since December 5, 1976?

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)):

1. The volume, in dollars, of each Loto Canada draw, by province, since December 5, 1976 is as follows:

Province	Draw No. 1	Draw No. 2	Draw No. 3	Draw No. 4	Draw No. 5
Alberta	2,764,610	2,068,870	2,099,750	1,578,800	2,488,810
British Columbia	3,601,070	3,247,760	3,877,290	3,196,750	4,848,290
Prince Edward Island	241,380	235,480	198,470	217,060	251,560
Manitoba	871,760	655,710	746,940	540,990	986,060
New Brunswick	1,641,040	1,162,890	1,179,910	1,190,240	1,727,320
Nova Scotia	2,697,090	1,909,550	1,864,600	1,748,790	2,436,110
Ontario	19,283,950	13,932,250	15,249,590	11,275,520	15,000,010
Quebec	27,574,390	22,201,110	24,261,070	24,924,230	34,255,210
Saskatchewan	863,350	557,170	643,210	517,220	752,470
Newfoundland	901,350	536,580	583,980	536,550	670,280
North West Territories	23,270	21,900	17,980	10,700	15,400
Yukon	10,970	12,660	12,760	3,890	5,920

Province	Draw No. 6	Draw No. 7	Draw No. 8	Draw No. 9
Alberta	2,724,650	2,164,310	1,920,400	2,115,620
British Columbia	5,028,160	4,642,380	4,406,670	4,298,860
Prince Edward Island	275,810	187,950	162,340	172,580
Manitoba	984,450	715,890	683,000	801,590
New Brunswick	2,187,690	1,583,640	1,260,480	1,354,540
Nova Scotia	2,679,340	2,383,700	1,707,590	1,800,190
Ontario	16,118,840	14,330,420	11,617,520	12,448,850
Quebec	33,202,380	27,504,190	21,750,740	23,144,660
Saskatchewan	812,500	650,620	597,270	621,450
Newfoundland	855,380	696,630	560,880	646,180
North West Territories	14,070	12,900	17,040	29,760
Yukon	6,240	4,510	8,560	7,280

2. Not available by province

3. Not available by province

4. Not available by province

5. The total breakdown from each Loto Canada draw since December 5, 1976, is as follows:

Order Paper Questions

	(a) Gross	(b) Net Proceeds
Draw No. 1	60558860	17237000
Draw No. 2	46622970	10454724
Draw No. 3	50826720	14694700
Draw No. 4	45834860	10533682
Draw No. 5	63553220	25499260
Draw No. 6	64999300	23406696
Draw No. 7	54999500	21702329
Draw No. 8	44868840	13724000
Draw No. 9	47607700	13657000

SECRETARY OF STATE—PROJECTS IN RICHMOND

Question No. 857—**Mr. Beaudoin:**

1. Since 1968, did the Department of the Secretary of State finance projects in the Constituency of Richmond and, if so (a) what were the projects (b) what was the (i) total amount (ii) amount in each case (c) what were the areas?

2. Is the Department planning to do so in the near future and, if so (a) what will be the amount (b) in which areas?

Hon. John Roberts (Secretary of State): 1. Departmental budgets and records are not maintained by electoral districts but rather by program or by region. However, officials undertook a special review of all departmental individual grant files by federal constituency for fiscal year 1977-78 and for the current fiscal year up to January 24, 1979. The breakdown of groups funded in the Constituency of Richmond is as follows: 1977-78 Nil.

1978-79 (Up to January 24, 1979)

Name and Address of Organization	Program	Amount	Date Approved
École Tournesol 14 Jeanne Mance Windsor, Quebec J1S 1A3	Open House Canada	$ 1,773	April 5/78
Les Tournesols de Windsor Windsor, Quebec J1S 1A3	Open House Canada	13,383	April 28/78
Richmond High School P.O. Box 1100 Richmond, Quebec J0B 2H0	Open House Canada	5,054	July 18/78
Asbestos Midget Modern Moving Hockey Club 446 St. Roch St. Asbestos, Quebec	Open House Canada	5,510	Nov. 20/78

2. The amounts granted to any region depend on the number and nature of projects submitted from the region which are evaluated according to the objectives and criteria of the Departmental programs concerned, the need of the applicant and the available resources. It is not possible to indicate in advance which projects will be financed in any given area.

[Mrs. Campagnolo.]

DVA—CLIENT SATISFACTION SURVEY

Question No. 1,187—**Mr. Herbert:**

Is the Department of Veterans Affairs conducting a client satisfaction survey and, if so (a) how many persons are being questioned and how are they selected (b) what is the objective of the survey?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Yes, the Department of Veterans Affairs is conducting a Client Satisfaction Survey.

(a) A questionnaire is being mailed to some 6,400 recipients of War Veterans Allowance and Civilian War Allowance, who are a representative sample of the total recipient population of some 94,000. Clients to be sampled are selected at random from the lists of those who receive the allowance.

(b) The objective of this survey is to obtain the views of clients on how well they are being served by the department. An analysis of the results will enable DVA to concentrate its efforts to improve services on those areas of greatest concern to veterans and their dependants.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURN

[*Translation*]

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, if questions Nos. 599 and 725 could be made orders for return, these returns would be tabled immediately.

Mr. Speaker: The questions enumerated by the parliamentary secretary have been answered.

[*English*]

Is it the pleasure of the House that questions Nos. 599 and 725 be deemed to have been made orders for return?

Some hon. Members: Agreed.

Mr. Speaker: Agreed and so ordered.

[*Text*]

MULTICULTURAL CENTRES

Question No. 599—**Mr. Mitges:**

1. What is the government's definition of a Multicultural Centre?

2. What are the guidelines for submissions for grants or contributions under the Multicultural Centres Programme?

3. For (a) 1975-76 (b) 1976-77 (c) 1977-78 (d) April 1, 1978 to date, how many Multicultural Centres were funded under the Multicultural Centres Programme and, in each case (i) what funds did the centre receive and were they in the form of a grant or a contribution (ii) what was the name and location of the centre (iii) who was the Director and what criteria were used in his/her selection and what salary did he/she receive while acting as Director (iv) what services did the centre provide?

4. Has there been any attempt to evaluate the performance of the Multicultural Centres and, if so, what were the conclusions?

Return tabled.

SECRETARY OF STATE—GRANTS IN NEW BRUNSWICK

Question No. 725—**Mr. Howie:**

In the fiscal year ended March 31, 1978, did the Secretary of State grant any money under programmes or projects, to persons or organizations in New Brunswick and, if so (a) in what amount (b) was the opportunity to apply for such grants advertised in the New Brunswick media?

Return tabled.

* * *

[*English*]

POINT OF ORDER

MR. McKINNON—DELAY IN ANSWERING QUESTION NO. 649

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, I should like to enter one of the usual objections at this time. I placed a simple question on the order paper on November 27, 1978, question No. 649. It is almost a one-liner. It reads as follows:

Which department is responsible for granting end user certificates on Canadian arms exports?

It is completely beyond my comprehension that the government does not know what department does this task. If the government does not know, perhaps it could answer the question by saying that they are incapable of answering the question; that the question should not have been put; or they could answer the question by telling me which department it is. Procrastinating for some four or five months on a question as simple as that one indicates a total lack of attention to the job by either the parliamentary secretary or the department.

[*Translation*]

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the only logical explanation is that all questions are treated the same way and that so many questions require some research that it is often impossible to reply to questions which may be simpler than others, and we do so as soon as we receive the answers. I can assure the hon. member that his question will be treated very seriously, but that he can expect certain very normal delays on occasion because, as I have said, there are a lot of questions to answer.

[*English*]

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I rise on the basis of the remarks made by the parliamentary secretary in response to the hon. member for Victoria (Mr. McKinnon). His remarks have to be in the category of simply being termed laughable. The fact of the matter is that we only have 80 days left. That is the maximum amount of time the Prime Minister (Mr. Trudeau) has, unless he wants to break all tradition and precedents in calling the election. He will probably wait as long as he can.

● (1220)

Even on that assumption, on the basis of the performance of the parliamentary secretary regarding questions he has now answered, today amounting to the magnificent total of five or six, with the hundreds and hundreds of questions of a simple nature that are still on the order paper today, they will never be answered. As the hon. member for Victoria has pointed out, many of these questions are straightforward, unassuming and simple enough for the parliamentary secretary to get his mind around. If he continues to proceed in this particular way the people of Canada will have a deep suspicion about the intention of this government to answer legitimate questions, the answers to which the people of Canada have a right to know.

[*Translation*]

Mr. Pinard: Mr. Speaker, this unexpected attack is surprising because the hon. member is repeating exactly what he said yesterday. I will simply say that as of March 14, 1979, 538 questions out of a total of 1,318 had been answered for an excellent average of 40.9 per cent, which is quite normal at this stage of a session.

[*English*]

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

WAYS AND MEANS

PETROLEUM ADMINISTRATION ACT

The House proceeded to the consideration of a ways and means motion to amend the Petroleum Administration Act.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology) moved:

That it is expedient to amend the Petroleum Administration Act to provide that, effective April 1, 1979, the maximum amount of the charge to be imposed, levied and collected on each barrel of oil exported from Canada, in any month be in such amount, not exceeding $15.00, as may be prescribed in a tariff of charges for that month made by order of the Governor in Council.

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

Some hon. Members: Agreed.

Motion agreed to.

* * *

PETROLEUM ADMINISTRATION ACT

AMENDMENT RESPECTING INCREASE IN EXPORT CHARGE

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology) moved that Bill C-48, to amend the Petroleum Administration Act, be read the first time and printed.

Mr. Speaker: Since this follows upon passage by the House of a ways and means motion, I presume that the presentation of the bill at this time is with the consent of the House. Is that agreed?

Some hon. Members: Agreed.

Mr. Speaker: Is it agreed that the motion for first reading can be taken at this time?

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

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

* * *

ENERGY SUPPLIES EMERGENCY ACT, 1979

MEASURE TO CONSERVE STOCKS

The House resumed from Thursday, March 15, consideration of Bill C-42, to provide a means to conserve the supplies of energy within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada, as reported (with amendments) from the Standing Committee on National Resources and Public Works, and motion No. 2 (Mr. Lawrence).

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I had not in any way anticipated taking part in this debate, but I find it necessary, having regard to the way the rights of parliament are being tramped on, to speak and to speak very definitely and clearly. I am very concerned about the way things are going here. Indeed, I will deal with this on Monday. I find it difficult to understand why within the last couple of weeks a motion I made was not referred to in *Hansard* but was deleted. It was a motion I moved, seconded by my friend, the hon. member for Vegreville (Mr. Mazankowski), which now is a complete deletion from *Hansard*. If we get to the point where motions made in this House can be deleted because they do not meet with the finer sensibility of those in authority, then this parliament ceases to exist.

I am going to deal with that very clearly and definitely because what is happening here today is further evidence of the way in which parliament is being emasculated by this government. I am referring, of course, to the amendment moved by the hon. member for Northumberland-Durham (Mr. Lawrence) in which he asks for the deletion of clause 11(4), which provides that there can be a mandatory allocation of supplies as a result of anticipated shortages, and that there can be an objection raised thereto. Then subclause (4) says:

> At fifteen minutes before the expiry of the time provided for government business on the third sitting day following the commencement of consideration of a motion of which notice was given under subsection (2), or at such earlier time as the House of Commons is ready for the question, the Speaker, shall put the question forthwith without further debate.

[Mr. Gillespie.]

What is the reason for that? Yesterday when speaking in Vancouver the Prime Minister (Mr. Trudeau) spoke of creeps. I did not intend to speak today, but when I looked up the meaning of the word "creep', I thought that it aptly described the kind of creeping thing that is creeping into parliament so that more and more this institution is being undermined by a government that has no regard for it.

I was interested in finding the meaning of "creep". I looked it up and found that it is "nervous shrinking or shiver of dread". Certainly the way this government is postponing the calling of an election would indicate that the creeps are over there.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I would ask the minister why he needs this clause and who produced it. What about the rules as they are now? I am going to refer to them. I have quite a bit of respect for this minister. He was at sea during the days of war, and he is still there in the House of Commons today.

An hon. Member: This is still a war.

Mr. Diefenbaker: I am not going to go into particulars of that nature. Is this clause another attempt to trample on the rights of parliament by gagging the members? What is its purpose? The government already has the power to prevent unnecessary discussion. Why does the minister want this additional power? The government has the closure method and used it during the pipeline debate. In addition the government has the guillotine rule, 75C. Why does it need another power? I have been in this House a long time and in the last few months I have seen the greatest degradation of the rights of this institution that I have seen in all those years. What does the Prime Minister think of parliament? We now have identification badges so members can show themselves as belonging to parliament. After all, we remember what he said about us, that members of parliament were so insignificant that when they got 50 feet away from the House of Commons they were nonentities and non-existent.

An hon. Member: Nobodies.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: With the aid of these wonderful badges they will at least be able to show that they are members of parliament.

Now what is this government attempting to do? Should I believe the government when it says: Of course, we just want this power, we are not going to use it? I think of the promises that have been made. During the question period I sent out to get some of the reports of promises that we have had from this government. I think of the questions this morning about inflation and rising prices. I just do not know how it came about that we have inflation, because in a speech of the Prime Minister on May 20, 1968, I find that he said:

> The government is not broke, but the government—if it wants to have a sound dollar—must sustain a balanced budget.

Then he said:

We have a balanced budget and it's going to stay that way—

It is in ways like this that we in the House and the country have been deceived, and this is what causes me to be very suspicious of the explanation concerning this particular subclause.

● (1230)

I could go on and read another promise of the Prime Minister. I have one of his press releases here and this is what he promised:

The government intends to hold down federal government spending and to keep our expenditures in line with our tax revenues. In other words, our aim is to achieve a balanced budget.

The people of Canada were deceived in the last election because they believed the Prime Minister when he said something to this effect: "We will not bring in price and wage controls." The then leader of the Conservative party said that they were necessary. We went down to defeat because the hon. member Halifax (Mr. Stanfield) said what he believed to be the fact. This government lied to the Canadian people.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Is this government any more truthful today when they say that, as far as this clause is concerned, they really do not intend to use it? This parliament is an emasculated parliament. Why is there this rush in these dying days to bring in this particular section? What is the purpose? What is the means? I look across the floor and see the whip of the Liberal party, an intelligent man, and he smiles.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I am glad that his colleagues agree with him because what he is doing is smiling while parliament is being trampled on.

Mr. Railton: I laugh when I hear that from you. I do not smile, I laugh, John.

Mr. Diefenbaker: I will be glad to receive any interruptions. I do not see the hon. gentleman here for York East (Mr. Collenette) who was here just a while ago. I was hoping that he would be here, because he spends most of his time in this House saying no to everything we bring in by way of Standing Order 43. I intended to say some very kind words to him. I was raised in York East and I have a very high regard for the people of that constituency. I just hope that they will rectify the mistake which they made when the opportunity comes.

If we give the Government of Canada the power for which they are asking in this bill and the power contained in the referendum bill, we might as well close this institution now. The opposition will cease to exist.

Mr. Railton: Oh, oh!

Mr. Diefenbaker: What is the hon. gentleman saying? I would like to get those precious words.

An hon. Member: He is just mumbling.

Mr. Diefenbaker: With the record of the promises which were made in 1974 and 1968 by the Prime Minister, the Liberal party and the members of the government, I can only conclude that anyone who trusts them when they say they are not going to rule in the House of Commons of parliament can only be suspicious and more than suspicious.

Just in passing I would like to mention that I am concerned about something which happened in the last couple of weeks when a motion of mine—

Mr. Gillespie: I think that that is just terrible. I have been watching you.

Mr. Diefenbaker: The hon. minister makes his finest contribution with a wave of his marshal hand. That is the most intelligent thing that he does. As a matter of fact, if we were in committee and called an adjournment we would be out, because we would not be able to hang around for a couple of hours until we got the necessary majority.

I am concerned about what is happening. I will go into some detail next week on this matter, but a motion which I had made was deleted from *Hansard*. It was deleted from the blues because it did not meet with the pleasure of those in charge. Once we reach the point where things which are said in this House and a motion which is made can be removed, then we are in a serious position in so far as this parliamentary system is concerned.

When I see this particular section, I simply ask one question. I am not going to speak at length at all. This parliament is a farce today, held over and over and over. Why? Because, to use the Prime Minister's expression—what is the word he used?

Mr. Mazankowski: Creep.

Mr. Diefenbaker: Creep. This government is afraid of an election. The Prime Minister travels and faces university audiences. I can understand that because there is some intelligence there, and they proved it by their reaction yesterday. Creep, that is what this government is doing. It is bringing forth major matters of legislation at a time when it is expected an election will take place, which has been postponed from time to time by the Prime Minister because he is afraid to bring in a section such as this. It simply places parliament in the position of being a pawn under the control of a majority government. I would have more to say about that were we not waiting to vote on this amendment by the hon. member for Northumberland-Durham.

The hon. member for Northumberland-Durham has stood and pointed out the danger. If the minister wanted to establish for himself a reputation for preserving parliament, he would ask those surrounding him to vote for this amendment. For if it is defeated, it is all over. The government can do what it will and pass whatever regulations it chooses, because at the end of three days a vote will take place regardless of the merits or demerits. Already having this power, why does the government

want to repeat it? It is this kind of thing which is causing people concern, and they are learning a great deal as a result of TV. They are finding it difficult to understand some of the frivolities. After all, we are always serious in the House of Commons or we would not last very long. A sense of humour one must have, but across this country today people are asking themselves: "What is the attitude of this government? They give us answers that are not true."

I have had questions on the order paper since November 12 and November 22, I believe, which have not been answered. They are perfectly simple questions. The only reason that they are not answered is that the government is afraid of what the answers will be and that they will as a consequence be embarrassed. Trust cannot be built in this House of Commons that way. Parliamentary underlings cannot be deciding what questions shall or shall not be asked.

I asked another question, I believe around February 15 or February 20, which will be of interest to hon. members from Quebec, about how Levesque got the Legion of Honour. It is just a question because I see a nice relationship between Levesque and his former pal, the Prime Minister. Why do we not get an answer? I asked the Speaker in a letter to do something, and he said that there was nothing he could do. Yet the other day in the House I found out in consequence of an admission that he had informed the CBC that only certain selective things can be placed before parliament.

Another example is the Treu case. Treu was treated like a reprobate. What about "Go-go-Goyer"? We paid out $10,000 for that matter without any justification whatever. I am simply pointing out—and it is as disturbing to me as it is to all Canadians—that we have come to the point where we cannot believe anything which this government says. It either refuses to answer when it will be embarrassed, or the answers which it gives are given with a total disregard for the facts.

● (1240)

I simply ask of the minister that he establish for himself a record of an appreciation of parliament not by wave of the hand but by simply saying, "We do not need the power, we are not going to push it through and we will simply permit this subsection (4) in the amendment of the hon. member for Northumberland-Durham to be accepted." If he does that he will do more for parliament than anything else he could possibly do. He could at least show that he has a respect and an appreciation for parliament and that he does not intend to ride rough-shod over an opposition that produces an amendment to a provision which he does not need. If he does not need it, why does he ask for it?

Some hon. Members: Hear, hear!

Mrs. Appolloni: A point of order, Mr. Speaker. I wonder if the right hon. gentleman would allow a question.

Mr. Diefenbaker: I have no objection to questions, but we are trying to get questions answered by the government now. I hope she will be more successful in any that she asks.

[Mr. Diefenbaker.]

Mr. Deputy Speaker: The right hon. member did not accept the question.

An hon. Member: Yes, he did.

Mr. Diefenbaker: Yes, I will.

Mrs. Appolloni: Mr. Speaker, a few seconds ago I was watching the electronic *Hansard* and I thought I heard a few references made by the right hon. gentleman to some deletions from the blues of *Hansard* of a motion he had purportedly made some time last week. I wonder if the right hon. gentleman would elucidate and tell us exactly which motion was eliminated from the blues of *Hansard*.

The right hon. gentleman has been around for a very long time and has been most welcome in this House, but what he is imputing and the impression he could give to the voters of Canada, as I know he will understand, is very, very serious. I wish he would elucidate.

Mr. Diefenbaker: Mr. Speaker, the question is a reasonable one and a responsible one. It had to do with a motion that was made in this House, moved by myself and seconded by the hon. member for Vegreville (Mr. Mazankowski).

The proper procedure in connection with motions under Standing Order 43 as I understand it is this: it does not require a seconder when it is made but once it is accepted by the Speaker then the motion takes place. I said that the Speaker, without giving me any opportunity at all, announced that it had been moved by me and seconded by the hon. Secretary of State for External Affairs (Mr. Jamieson). I rose and said it was not seconded by him, that it was seconded by the hon. member for Vegreville. When that did not appear on *Hansard*, on the blues, I wrote underneath what had happened, clearly and definitely. The motion, I said, was moved by me and seconded by my hon. friend.

That is the point that I strongly object to, because if we get to a point where motions that are made here can be deleted because they do not meet the finer sensibilities of those who today are in office, then we have ruined parliament. I have to answer the question.

Mr. Pinard: Who are you accusing?

Some hon. Members: Order.

Some hon. Members: Oh, oh!

Mr. Pinard: A point of order, Mr. Speaker. I should like the right hon. gentleman to state clearly, if he has a little courage, who he is accusing.

Mr. Diefenbaker: As the hon. member grows older and more intelligent, he will realize the answer to that question.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

An hon. Member: Disrespect.

Mr. Pinard: You want us to respect that?

Some hon. Members: Chicken.

Mr. Deputy Speaker: Order, please. I would invite hon. members to give me a chance to speak. Taking into account the previous remarks of the right hon. member for Prince Albert (Mr. Diefenbaker); the question put by the hon. member for York South (Mrs. Appolloni) and the answer, I think the only conclusion I can come to is that Mr. Speaker will himself look at the transcript of what was said today and will be in a position to judge whether or not there was any reflection on the Chair. I am not at this moment ready to pass judgment.

Is the House ready for the question?

Some hon. Members: Question.

Mr. Deputy Speaker: The question is on the amendment of the hon. member for Northumberland-Durham (Mr. Lawrence). Is it the pleasure of the House to adopt the said motion? All those in favour of the motion please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 75(11), the recorded division on the proposed motion stands deferred.

The House will now consider motions Nos. 3, 4 and 6. As suggested by Mr. Speaker, these three motions are to be debated together. It was suggested that a vote on motion No. 3 dispose of motions No. 4 and 6. If there is agreement I shall put these motions in front of the House, starting with motion No. 3.

Mr. Allan Lawrence (Northumberland-Durham) (for Mr. Baldwin) moved motion No. 3:

That Bill C-42, an act to provide a means to conserve the supplies of energy within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada, be amended in Clause 12 by adding immediately after line 35 at page 9 the following new subclauses:

"(7) If any order is not laid before parliament in accordance with the provisions of subsection (6) of this section, it shall be void and of no effect as if it had not been made.

(8) Notice of a motion to disallow an order may be given in the Senate, and shall be debated in the Senate on the next sitting day as the first order of the day and brought to a vote before the next two sitting days if not earlier disposed of.

(9) If the House of Commons, in pursuance of a motion of which notice has been given within twenty-five sitting days after any order has been laid before that House, passes a resolution disallowing that order or any part thereof, any order or part thereof so disallowed shall thereupon cease to have effect.

(10) If at the expiration of fifteen sitting days after notice of motion to disallow any order or part thereof has been given in the House of Commons, being notice given within twenty-five sitting days after the order has been laid before that House

(a) the notice has not been withdrawn and the motion has not been called on; or

(b) the motion has been called on, moved and seconded and has not been withdrawn or otherwise disposed of the order or part thereof specified in the motion shall thereupon be deemed to have been disallowed.

(11) If, before the expiration of fifteen sitting days after notice of a motion to disallow any order or part thereof has been given in the House of Commons

(a) the Parliament prorogues or dissolves; and

(b) at the time of the dissolution, or prorogation, as the case may be

(i) the notice has not been withdrawn and the motion has not been called on; or

(ii) the motion has been called on, moved and seconded and has not been withdrawn or otherwise disposed of

the order shall, for the purpose of subsections (9) and (10) of this section, be deemed to have been laid before that House on the first sitting day of that House after the dissolution, expiry or prorogation, as the case may be.

(12) Where an order or any part thereof is disallowed, or is deemed to have been disallowed, under this section, the disallowance of the order or that part thereof shall have the same effect as a revocation of that order or part thereof."

Mr. Lawrence (for Mr. Baldwin) moved motion No. 4:

That Bill C-42, an act to provide a means to conserve the supplies of energy within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada, be amended in Clause 13 by adding immediately after line 7 at page 10 the following new subclauses:

"(4) Any Order of the Governor in Council adding any alternative fuel and establishing mandatory allocation thereof shall be laid before parliament forthwith upon the making thereof, or if parliament is not then sitting, on any of the next fifteen days next thereafter that parliament is sitting.

(5) Subsections 12(7), (8), (9), (10), (11) and (12) apply with such modifications as the circumstances require to an order made under subsection (1)."

Mr. Lawrence (for Mr. Baldwin) moved motion No. 6:

That Bill C-42, an act to provide a means to conserve the supplies of energy within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada, be amended in Clause 19 by adding immediately after line 13 at page 15 the following new subclause:

"(3) Subsections 12(7), (8), (9), (10), (11) and (12) apply with such modifications as the circumstances require to an order made under subsection (1)."

He said: Mr. Speaker, I crave the indulgence of the House in speaking on behalf of the hon. member for Peace River (Mr. Baldwin) who is absent on House business. I appreciate the tolerance and patience of members in permitting me to move these motions in his name and in his place. We all know the very just reputation the hon. member for Peace River has established in and out of this House as a prime mover and promoter of more open government. He is one who has devoted a great deal of his public life to the attempt to ensure that accurate information is available not only to members of the House but also to the public at large. He strives to ensure that when this House passes bills or motions or resolutions, it knows what it is talking about. Quite frequently he has made the argument, and it has been a just argument, that on many occasions the information is simply not readily available.

● (1250)

Another crusade he has had in his public lifetime is to make sure that orders in council and other policy directives and measures of the government are presented and made public so that they can be debated in this House. On many occasions there are parliamentary manoeuvres, sometimes based upon the rules and sometimes not, which simply do not permit this.

In this particular case the hon. member for Peace River is perfectly justified in proposing this series of amendments. His purpose is based on the fact that he believes, and I agree with him, that this particular bill gives very dangerous powers to the executive which ought to be subject to parliamentary scrutiny. This is the purpose of the government, in some small measure in any event, in relation to the whole series of clauses within the bill which require that the order in council declaring the national emergency be tabled and released for there to be a debate in this House, even though it will be a severely limited and truncated debate, the maximum time of which can only be three days under the provisions of the bill itself.

I think we all agree with the hon. member for Peace River who has said in the past that parliament has been too sloppy and too lax in giving authority away without any recourse. Clause 11 of this particular bill deals with the declaration of an emergency by cabinet. Clause 12 deals with the development of the controls programs. Clause 13 deals with the method of amending the program of controls and clause 19 deals with the rationing program of controlled products.

The amendments before the House for discussion would not prevent the government from passing its orders or acting on controls, but it would compel the government to be far more particular and careful in developing these programs which it would deem to be essential and acceptable. Under these amendments the government would have to be prepared for a possible motion of disallowance.

The thrust of these amendments is to turn the onus around so that the program, the allocation order, the order in council, is not valid unless it is presented to the House within certain times as specified. If it is not presented to the House and if it is not passed by the House, then it is disallowed. This is a complete change from the provisions now before the House. Under such a motion, if these amendments carry, the government would have to be prepared to justify and explain to the House why they are making these orders.

It would also make good sense, if there was a motion for disallowance, to refer the order to the energy committee, which should be given the time, even if the government deems it be limited, to dig up the facts and to shift through the information, and also possibly to call witnesses in respect to a matter which could be fairly technical. All regulations made under clause 16 and clause 20 will appear before the Standing Joint Committee on Regulations and other Statutory Instruments so that they will be scrutinized.

I would like to refer to one other matter briefly. Motion No. 4 deals with a particular amendment. There is a potential problem area relating to the definition of "alternative fuel".

[Mr. Lawrence.]

Although clause 13(2) states that the act applies when an alternative fuel has been added to the compulsory allocation scheme, it also declares in the next phrase that the act applies—

—with such modifications as the circumstances require—

This factor, combined with the provision relating to alternative fuels coming after the tabling requirements of sub-clause 12(6), quite possibly allows an interpretation of the bill by the government whereby an amendment to the allocation program by the governor in council relating to natural gas or other alternative fuels may be exempt from presentation in parliament.

I suggest to the House that, taken as a whole, this is probably not the intent of the minister or of the government, or indeed the intent of Bill C-42, but it might be open to such a legal interpretation. Therefore, I suggest that a re-examination of this whole provision is desirable by the government. That is why I am moving motion No. 4 standing in the name of the hon. member for Peace River. I do this especially in view of a similar provision in the old 1974 Energy Supplies Emergency Act, which in section 13(2) specifically stated that the provisions of the act applied *mutatis mutandis* to alternative fuels, designated controlled products. I suggest the wording of the old act is far more precise and less subject to argumentative interpretation.

To sum up, subclause 12(6) requires regulations made pursuant to the legislation to be tabled forthwith in parliament. There is no such requirement that regulations of a similar scope made pursuant to clauses 13, 14 or 15 be laid before the House, and these amendments in part will rectify what I and the hon. member for Peace River consider to be a very serious omission. I am sure they fall within the intent of the minister and of the government. I am sure they fall within the intent of the drafters of the bill. In my opinion, it is a serious omission which should be rectified, and these amendments attempt to do just that.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, I want to respond to the statements made by the hon. member opposite in some detail. This is a complicated area. There are three amendments that are interrelated, and indeed they relate as well to the previous amendment, motion No. 2. In view of the hour, I would ask Your Honour's indulgence to call it one o'clock.

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

At one o'clock the House took recess.

AFTER RECESS

● (1400)

The House resumed at 2 p.m.

THE ROYAL ASSENT

[*English*]

Mr. Deputy Speaker: It is my duty to inform the House that a communication has been received which reads as follows:

Government House
Ottawa

March 16, 1979

Sir:

I have the honour to inform you that His Excellency the Governor General of Canada will proceed to the Senate Chamber today, the 16th day of March, at 4.15 p.m. for the purpose of giving Royal Assent to a bill.

I have the honour to be,
Sir,
Your obedient servant,
Edmond Joly de Lotbinière
Administrative Secretary
to the Governor General

● (1410)

GOVERNMENT ORDERS

[*English*]

ENERGY SUPPLIES EMERGENCY ACT, 1979

MEASURE TO CONSERVE STOCKS

The House resumed consideration of Bill C-42, to provide a means to conserve the supplies of energy within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada, as reported (with amendments) from the Standing Committee on National Resources and Public Works, and motions Nos. 3, 4 and 6 (Mr. Lawrence, for Mr. Baldwin).

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, I would like briefly to address myself to the three amendments standing in the name of the hon. member for Peace River (Mr. Baldwin). There has been lengthy discussion on the amendment proposed by the hon. member for Northumberland-Durham (Mr. Lawrence), and in that discussion the concern expressed by the opposition was that parliament would not have a sufficient opportunity to consider the declaration of an emergency for the purpose of this legislation, nor would it have an opportunity to approve such a declaration, which declaration would call upon the energy supplies allocation board to establish a mandatory allocation program.

I think it has been shown that the measures taken by the government in providing three days for debate are better than the alternative of using Standing Order 33 suggested by the

opposition House leader, which would require two days. There was some reference by the right hon. member for Prince Albert (Mr. Diefenbaker) to the possibility of using Standing Order 75C. The advice I have received is that that particular measure would not be available to us and that Standing Order 33 would have to be used, which in an emergency one would anticipate would provide only two days of debate, not three.

Throughout this debate with respect to these amendments and the rights of parliament there has been a very obvious misunderstanding on the part of the opposition with respect to the nature of an emergency and the ways by which parliament and, indeed, the government of the day, must deal with such an emergency. There has been little recognition that in an emergency a government must deal and must be able to deal with a sure hand. It cannot contemplate weeks of uncertainty. That would be the effect of these three amendments. If adopted, they would introduce weeks of uncertainty at a time when an emergency had been declared and when a mandatory allocation program was being established.

Amendments to that mandatory allocation program would be approved by order of the governor in council. The review process which the hon. member for Peace River wants to put in place would introduce an extraordinary element of inflexibility in amendments to the mandatory allocation program described in clause 12(4) on page 9 of the bill. It would have the effect of introducing uncertainty at the very time when we would want to introduce certainty into an extremely complicated administrative process. It would be a complicated process because it would be dealing with energy which includes crude oil products and the energies associated with that which pervade the basis of our economy. It would deal with the production and consumption parts of the process.

Hon. members will realize that a mandatory allocation program which the energy supplies allocation board would have to produce would deal with such things as designating the regions in which the program would operate. I am referring now to clause 12(2) of the bill. A mandatory allocation program would designate the regions in which the program would operate, if it was not to operate in the whole of Canada. The program would specify the petroleum products, the supplies of which would be controlled under the program. It would set out the priorities of use of the controlled product.

Clause 13 deals with the allocation of alternative fuels. The mandatory allocation program would deal with a number of basic elements, regions, geographical areas, products, alternative fuels and priorities. There are three levels of priorities, and those priorities have been established through discussions with the provinces, but it is quite possible that there could be a large number of amendments to the mandatory allocation program as a result of representations by, for example, the provinces, consumer groups, producer groups or transportation groups.

If these amendments were to be adopted, their effect would be to hamstring significantly the ability of the energy supplies allocation board to deal with amending orders in a way which would introduce a degree of certainty and a sense of urgency

and speed in dealing with the whole question of a highly complicated area in which literally thousands of individuals, businesses, institutions, corporations and separate legal personalities would be involved. I would have thought that hon. members would be anxious to reduce uncertainty and to confine as much as possible the time frame in which decisions could be upset, delayed, postponed or interpreted. It is for these reasons that the amendments proposed by the hon. member for Peace River fail to move me.

There is one point I might just add, and it has to do with the first part of motion No. 3. Motion No. 3 would add a seventh subclause dealing with an order approving or amending a mandatory allocation program. The proposed subclause reads as follows:

If any order is not laid before parliament in accordance with the provisions of subsection (6) of this section, it shall be void and of no effect as if it had not been made.

The force of that proposed subclause is that it would require action by the government within several days to table before parliament the particular amending motion or amending order. If the government did not do so, the order would have no legal effect. I cannot complain about that particular provision, and I would not object to it if that were the nature of the whole amendment, but it goes much further than that and introduces, as I have said, a whole series of measures and provisions which could delay the certainty of a decision by many weeks. Clearly, in an emergency—and it would be a national emergency, as defined in the legislation, related to energy and security of supply—it would not be in the public interest to accept an amendment which could have the effect of hamstringing the administration of an emergency program. For that reason I will vote against the amendment.

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I rise to support the amendments in the name of the hon. member for Peace River (Mr. Baldwin), and I want to thank the hon. member for Northumberland-Durham (Mr. Lawrence) for presenting these motions on behalf of the hon. member for Peace River.

The minister has pointed out that the effect of these amendments would be to create uncertainty and, to use his words, an element of extraordinary inflexibility and to hamstring the board. I think the minister failed to back up his statement. He made the statement and left it at that.

As has been pointed out by other hon. members who have participated in this debate, if there is a real emergency and not a phony one, parliament in its wisdom would surely act decisively. There would be no reason for it to do otherwise. What these amendments do is insert a check and a balance in the system which really are very fundamental to our system of parliamentary democracy. I think we would do well to take heed of the significance of these amendments.

As my colleague the hon. member for Northumberland-Durham has pointed out, the hon. member for Peace River has had a long and distinguished career in this House. He has provided a long and distinguished service to Canadians and he has been a watchdog of parliament. He has been constantly vigilant of the importance of our system of parliamentary democracy—and we know that there have been erosions. It is only natural that majority governments, in their wish to pursue certain pieces of legislation with vigour and enthusiasm, tend to ignore and to trample upon the rights and traditions of parliament.

[Mr. Gillespie.]

● (1420)

In this particular case, albeit we are dealing here with an emergency, I think it is incumbent upon us all to recognize the fact that we should not be too eager to ignore the traditions of parliament and the requirement to be constantly vigilant in dealing with matters of autocratic governments or governments which wish to superimpose their wishes upon the Canadian people. This really is a protective device.

The debate that has been going on here centres around the measure wich incorporates legislative closure. I think that the hon. member for Northumberland-Durham deserves to be highly commended for his concern in this matter. The amendment we have been dealing with here has provided some stimulating debate and given incentive to stimulating thoughts in terms of the preservation of our system of parliamentary democracy. At any time use is made of the guillotine rule to stifle debate, our liberties and freedoms are weakened and trampled upon.

The important thing for us to remember when we are dealing with an emergency such as this is that although there is a role for the government, there is also a fundamental role for parliament, and parliament must be supreme in the final analysis. What has concerned many members in this debate is that the government's record vis-à-vis its policy of rule by edict is pretty dramatic. When we look at the record of orders in council which have been passed in the last three years—we all know that orders in council are a necessary and important part of our system of government—and when we look at the number that have been published, we find that an inadequate safeguard has been provided for parliament and for the Canadian people.

For example, in 1976 there were 3,326 government orders in council passed, of which only 653 were published or made known to the Canadian public. In 1977 there were 3,746 government orders in council passed, of which only 860 were made public; and in 1978, almost 4,000, or 3,973 government orders in council, were passed and only some 812 were published. What we are saying here is that we have been subject in this country to being governed by government orders in council.

This is a very important debate and I am sorry the government sees it as one needing to be rushed through. We know that this is legislation to deal with an emergency, but the implications of this bill are very important from the standpoint of the energy resource industry and are very important from the standpoint of its impact upon the traditions of parliamentary procedure. The spirit of this debate has centred around those two points.

Government members have attempted, during the course of this debate, to pay more attention to justifying the existence of Petro-Canada than to dealing with the central part of this legislation. Hon. members opposite must be really nervous because at every opportunity they try, in an inadequate fashion, to make a case for Petro-Canada, to make Petro-Canada the central issue, and in so doing are likening themselves to the NDP. If this had come from the corner of the House to my left, I would not be surprised, but to see government members so preoccupied with their favourite state enterprise, namely Petro-Canada, really overwhelms me.

I see present the Minister of Employment and Immigration (Mr. Cullen) who hails from the city of Sarnia. I am surprised that he and his community, which has survived and contributed to Canada through its industry and petrochemical plants without the existence of Petro-Can, has to be such an ardent supporter of this.

As I said, in taking that position they prove they are no different from the NDP. It also confirms that they believe in government ownership as the first resort rather than as the last resort. They have also demonstrated throughout this process that when they speak of ownership, what they really mean is government ownership. They believe that Canadian ownership can be best achieved through government ownership. That is the central issue here and the cut and thrust of the debate which has emanated from that side of the House.

I think, as has been pointed out, that there is no crisis here. It is a fabricated crisis, sparked by a cutback of 100,000 barrels of oil from Iran, an amount which is equal to the production of one heavy oil upgrading plant or one additional tar sands plant in this country, an amount which could be met by the availability of the shut-in surplus which is presently available in the province of Alberta if we had an adequate delivery system. But such is not the case, thanks to the inadequacy of, and lack of leadership from, this government and successive ministers of energy.

This bill was ostensibly brought in to meet an emergency situation, but what we have here is the opportunity for government members to do some flag waving in favour of their most favourite state enterprise, Petro-Can. In the course of this, they set out to mislead Canadians into believing that all is well and secure so long as Petro-Canada is here.

As I said earlier, the authoritarian powers contained in this bill are of concern to us all. What I think is of concern as well is that it puts the federal government in a position to lasso provincial energy resources, if this can be done, in a real or imaginary crisis, because the powers are so broad.

Third, the presentation of this bill at this time is, in my view, a blatantly political move. The tactics which are now being used by the Prime Minister (Mr. Trudeau) and by other leading spokesmen of the Liberal party are spreading fear and division in this country as a result of this so-called energy crisis. Clearly it is not in accordance with the facts to suggest that it is not a political gesture or move. It was even suggested in an article that the Minister of Justice (Mr. Lalonde) agreed with this statement:

● (1430)

It is a bill which the Liberals intend to flourish during the election as a substitute for the energy policy they failed to develop in the seven years since the Arab boycott.

The article continues as follows:

Justice Minister Marc Lalonde admitted as much—for the Montreal media which he perhaps thought would not penetrate to the rest of Canada—when he described it as a good election plank.

We have a government which is using energy to promote its own political advantage. That is shameful and disgusting.

An hon. Member: From what are you quoting?

Mr. Mazankowski: The quotation came from the *Globe and Mail* article entitled: "Tyrant in Ottawa". It began as follows:

The Energy Supplies Emergency Act is a bill produced by the federal government under false pretences.

Mr. Cullen: Who is the author?

Mr. Mazankowski: The article appeared in the Saturday, March 10 edition of the *Globe and Mail.*

Mr. Cullen: What is the author's name?

Mr. Mazankowski: I am sorry but the article does not show the author.

An hon. Member: The *Globe and Mail* is afraid to put a name to it.

Mr. Mazankowski: Hon. members opposite quite frequently refer to the *Globe and Mail* when it is to their advantage.

An hon. Member: It is a Tory paper.

Mr. Mazankowski: I am not sure it is a Tory paper. I always thought it was a Liberal paper.

Mr. Deputy Speaker: The hon. member for Gloucester (Mr. Breau) rises on a point of order.

Mr. Breau: Mr. Speaker, I am sorry to interrupt the hon. member, but I think there is a clear provision in the rules of the House that when a member quotes from a newspaper he has to accept responsibility for what he is quoting. I think the traditions of the House are very clear on that.

Some hon. Members: Oh, oh!

Mr. Mazankowski: Mr. Speaker, certainly I am glad to acknowledge the point made by the hon. member. The document from which I am quoting appeared in the Saturday, March 10 edition of the *Globe and Mail.* It is entitled: "Tyrant in Ottawa." I am not sure what else the hon. member wants. Whether I am taking responsibility for it or whether the *Globe and Mail* is taking responsibility for it, when a member quotes from a newspaper article in the House he must identify simply the source. The source in this instance is the *Globe and Mail.* If Your Honour has a different ruling, certainly I will accede to it.

Mr. Breau: Mr. Speaker, could we hear the view of the Chair to see if it is correct that when a member quotes from a newspaper article, he has to accept responsibility for what he quotes?

Some hon. Members: Oh, oh!

Mr. Breau: I do not have Beauchesne's in front of me, but clearly that is a tradition of the House.

Mr. Mazankowski: I am not sure whether Your Honour will rule on this matter, and I am not sure what the hon. member is implying when he suggested that I should take responsibility for this article. It is an article which has been published widely. I think it is worthwhile repeating. I am doing that for the obvious benefit of the hon. member who perhaps may find the statement will broaden his intelligence.

Mr. Deputy Speaker: I am not in a position to answer the point raised by the hon. member for Gloucester (Mr. Breau). I have attempted to identify some citations, but my first impression is that the point made by the hon. member is more related to an unidentified document than an identified one. The hon. member for Vegreville (Mr. Mazankowski) has identified the document. Unless I find another interpretation, the impression I have given at this time is adequate.

Mr. Mazankowski: Mr. Speaker, I would be prepared to table the entire article and newspaper; it could be appended to *Hansard*. It does not make much difference to me, but I think what Your Honour really said in handing down your decision is that the intervention by the hon. member for Gloucester was very silly. He should know better; he has been in the House since 1968. I am surprised at his very frivolous point of order.

Another point I should like to make flowed from the mouth of the honourable member for Gloucester last night. The bill has given members opposite an opportunity to attack the premier of the province of Alberta. That is really unjustified. The one-price system for petroleum products has been referred to by the honourable Minister of Energy, Mines and Resources (Mr. Gillespie). It is a system for which the government takes credit, but I should like to point out that the one-price system in effect takes away from revenues which normally would accrue to the province of Alberta. Whether we like it or not, something in the order of $14 billion to $15 billion has been relinquished by the citizens of Alberta as a result of the one-price system. That generous approach was referred to by the honourable member for Calgary South (Mr. Bawden) when he spoke yesterday.

It is important to recognize that this measure has been condemned by the producing and consuming provinces. The province of Ontario referred to it as a form of War Measures Act. In his attempts to divide and conquer, the Prime Minister suggested that Alberta and Ontario cannot agree on anything. But one matter which the two provinces have agreed upon is the position they take respecting this particular bill. Once again the Prime Minister is resorting to the same old tactics: divide, conquer and confrontation. The Prime Minister has made a career out of his policy of confrontation, dividing and attempting to conquer. As a result Canada has been victimized by those actions. In effect, the bill gives the government an opportunity to use that device once again. It sums up the total substance of the government's energy policy over the last 11 years. This bill will further the confrontational tactics within the country. At the present time there is confrontation with the private industry and the provinces. If it was not Exxon, some other company would have been involved.

The problem is that the premiers of the provinces simply do not trust the government or the present Minister of Energy, Mines and Resources. They did not trust the minister's predecessors either. Really that is what is wrong. Certainly spirited leadership has been lacking from the minister and the government. Through some spirited leadership I think it is possible that we could bring together the producing and consuming provinces. We would lay the groundwork for a sensible and rational method of resolving our energy problems. There seems to be a pathological envy for the resources which lie under the ground in Saskatchewan and Alberta in the minds of the government, particularly in the mind of the Prime Minister. The government is prepared to forgo Canada's ability to have a secure and adequate supply of energy because of the envy it holds for the provinces of Alberta and Saskatchewan.

The government is concerned about the growth of the heritage trust fund. I should like to tell the House something about the fund. It is being used for the benefit of Canadians and for the building of Canada. There is evidence of this in terms of the loans which have been made to other provinces and the agreement of the government of Alberta to go ahead with the development of a port facility in Prince Rupert. Also there is evidence of this in terms of the fund's leadership in the area of medical research.

I could go on and on, but I simply implore the Prime Minister not to deny Canadians an adequate and secure energy supply simply because of his envy and dislike for one province. What is wrong is that there has been a lack of leadership, policy direction and action. The reason there is an inadequacy today is the government's ineptness and incompetence. Petro-Canada will not turn the situation around.

● (1440)

If we look at a document entitled "An Energy Strategy for Canada", under the "Chronological Listing of Policy Initiatives, 1973-1976" we find for January 1974 the following:

> The federal government announced a policy of an all-Canadian coast-to-coast pipeline network to develop self-reliance in oil and details of the Interprovincial Pipeline extension to Montreal.

That was the announcement back in January 1974, but we are no further ahead in the development of that Canadian coast-to-coast pipeline today that we were then, over five years ago. That quotation is from page 152 of that document, Mr. Speaker.

We know that the interprovincial pipeline connection to Montreal has been completed, but there has been a constant campaign by IPEC, starting in June 1966, with more pleas in

1969 and representations by provincial governments in the 1970s in this regard; but the government's response has been nil.

I mentioned earlier that one heavy oil upgrading plant would meet the deficiency we are now dealing with which really triggered the introduction of this piece of legislation. We are talking about a vast quantity of energy resources regarding heavy oil supplies. It has been estimated that there is something in the order of 30 billion to 40 billion barrels of heavy oil in place in the province of Alberta, with perhaps an equal amount in the province of Saskatchewan, and that does not take into account the tar sands.

Since the OPEC crisis in 1973 we have had one tar sands plant put in place, we have had the pipeline extension and we have had Petro-Canada. I congratulate the minister for his interest in heavy oils. He did come out to Lloydminster to see this at first hand, but until that visit I am sure he never really realized the potential of heavy oil.

This is really where we stand: we do not have the kind of imaginative and challenging leadership we need. That was really evident, and it is still evident because there really has been no progress made to upgrade heavy oils in order that they can be fed into our light crude refining facilities.

I see that my time is up, Mr. Speaker.

Some hon. Members: Question.

Mr. Deputy Speaker: The hon. member for Fort William (Mr. McRae).

An hon. Member: Oh no.

Some hon. Members: Filibuster.

Mr. Paul E. McRae (Fort William): Mr. Speaker, I should just like to make two or three very short comments. I want to deal with some of the questions the hon. member for Vegreville (Mr. Mazankowski) posed in the last few minutes but will do so later at the third reading stage. I would like to comment now on two or three things mentioned by the last two or three speakers, particularly by the hon. member for Dartmouth-Halifax East (Mr. Forrestall). That hon. member asked the minister a long series of questions, most of which were dealt with in the committee. They were the kinds of questions that should be dealt with at that stage.

However, it is very interesting to note that when this bill was at the committee, as far as I can discover, having attended most of the meetings and read the transcripts of the proceedings, there was not a single Atlantic provinces Tory member present to put forward the concerns of the Atlantic provinces. Basically speaking, we were dealing with the interests of the west, Alberta and British Columbia, represented by members on the Tory side at the committee, and Ontario. There may have been someone who crept in at some particular point—

Mr. Lawrence: We were there speaking for Canada.

Mr. McRae: I am concerned with the kinds of comments made by the hon. member for Dartmouth-Halifax East.

Mr. Lawrence: Mr. Speaker, I rise on a point of order. I think this is a very genuine point, Mr. Speaker. First of all, by tradition of this House we do not permit members of this House to reflect upon the motives or lack thereof of members, or whether or not they were at the committee. I should point out to the hon. member, who really was not that constant in his own attendance at the committee, that there was at least one member from Halifax, and one member from Newfoundland, both Conservative members, who were in constant attendance at these committee meetings. I think the hon. member should withdraw the implication of what he has just said.

Some hon. Members: Withdraw.

Mr. McRae: I will not withdraw until I see the names in print. I was at most of the meetings, certainly last week and—

Mr. Deputy Speaker: Order, please. Perhaps the hon. member will just allow me to make a comment. The hon. member for Northumberland-Durham (Mr. Lawrence) has made a valid point with which I agree. Hon. members are prevented by the rules from reflecting on the motives or conduct of their colleagues in proceedings of the House. I am not in a position to decide about something that happened in committee. I am sure the hon. member did not intend to do that for which he has been reproached by the hon. member for Northumberland-Durham. Perhaps he will explain his comment or modify it.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on a point of order.

Mr. Deputy Speaker: Is the hon. member rising on the same point of order?

Mr. Baker (Grenville-Carleton): No, this is another point of order.

Mr. Deputy Speaker: I have invited the hon. member for Fort William (Mr. McRae) to perhaps modify his remark, and that maybe would solve the difficulty.

Mr. Baker (Grenville-Carleton): Mr. Speaker, this may have occurred during a fuss that was taking place in the House, but in defence of the hon. member I wanted to point out that I thought he had said that he withdrew the remark.

Mr. Knowles (Winnipeg North Centre): No, he said he would not.

Mr. McRae: Mr. Speaker, I will accept the ruling of the Chair and withdraw the remarks if I am not allowed to discuss or make comment in the House about whether members, collectively and generally rather than as individuals, were at committee meetings. If that is the case then I withdraw the remark. I would not withdraw the remark on the basis of its

being inaccurate, but rather on the basis that I was not in order in making that kind of a statement.

I should like to comment on one aspect of the remarks of the hon. member for Dartmouth-Halifax East having to do with the difference between heavy and light crudes. He made a fair comment, a reasonable objection and expressed fair concern. I do not know whether it has been mentioned by the minister, but the dealings with Venezuela are in respect of light crude. I understand that as a government we are looking, along with the Mexicans and Venezuelans, at problems in respect of heavy crude, but certainly in terms of the Exxon loss and making up that loss we are talking in terms of light crude that we can handle in our refineries.

Perhaps I should leave the rest of my comments until third reading. At that point I would like to take exception to the announced policy of the Tory party to move an additional large quantity, perhaps 300,000 barrels, of crude to the east via a reinforced pipeline between Manitoba and Sarnia.

Let me conclude by saying that, as I understand reserve figures, at our present rate of 315,000 barrels a day we can sustain that movement until 1983, and that after 1983 there will be a decline. That being the case, this announced policy would have very little effect, particularly if we do not get a number of Syncrude plants in operation.

I can understand the policy in respect of Syncrude plants. I would like to deal with this in much more detail, but already we are, in effect, through tax breaks and so on, turning back about 50 per cent of the capital required for those projects without equity to the companies. This, plus the assistance of the Alberta government, may run back close to 75 per cent of the capital without equity.

● (1450)

I do not think that the Canadian public would like to see that kind of flow increased without equity. This is one of the reasons we need Petro-Can. However, I would like to deal with this in more detail at a later date.

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

Mr. McRae: Yes.

Mr. Stanfield: Do I undertand, Mr. Speaker, that the hon. member is opposing or, at least, expressing reservations about the east being served more adequately by the enlargement of the pipeline to Montreal and the east?

Mr. McRae: What I am saying is that in the long run, and I think that we are talking about the long run, I am concerned about the value of increasing that pipeline if it will only move 315,000 barrels per day until 1983, whereupon it will begin to decline. There does not seem to be much reason for increasing the flow through that pipeline.

I think that one of the things which we are going to have to do in the long run, since I am asked the question, is to start substituting gas, coal and other things for oil, which would mean perhaps that the Q and M pipeline and the Montreal-Quebec gas pipeline may be a much better answer than enlargement of the oil pipelines. Such substitution will eventually be necessary. The figures which were put out by the department in a document called "Our Energy Future" indicate very strongly that we are going to have to get from 46 per cent dependence on oil down to about a 30 per cent dependence within the next 22 years. That is a fairly short period and a fairly significant cut in the amount of oil.

For this reason I think that we have to question how much we should expand. I think that there is some expansion expected, in the area of about 50,000 barrels. If we expand, however, then we have to take the consequences of the system declining in the early part of the next decade.

Mr. Deputy Speaker: Is the hon. member asking a supplementary question?

Mr. Stanfield: Yes, Mr. Speaker. I would like to ask the hon. member whether he is expressing the views of the government and whether, when one analyses all the words he has used, he is not really expressing grave reservations about the wisdom of increasing the pipeline capacity for oil going east.

Mr. McRae: I think that in the long run this is one of the real problems we will face. Unless there are larger reserves found out west, unless we can develop more tar sand plants—and I do not think that it can be done by tax concessions; I think it has to be done by a company like Petro-Can—then I am just wondering if this is a feasible answer, certainly if there is no oil there. That is all I am saying. I am not expressing government policy. I am just asking the question that, if there is not enough oil in the west, what is the point of expanding the size of the line?

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I would like to put on record the position of the New Democratic Party with regard to motions Nos. 3, 4 and 6 of the hon. member for Peace River (Mr. Baldwin). As you know, Mr. Speaker, we support in principle the need for any federal government, no matter what its political stripe, to have the power to act effectively in terms of a national emergency pertaining to energy supply. We supported a similar bill back in 1974, and we support this bill before us today.

We have some reservations about parts of the bill. We have indicated that we support the Conservative motion No. 2 to remove the closure aspect allowing for only three days of debate once the government had decided that a crisis does exist. We feel that the government has at its disposal the normal provisions to impose closure and that the opposition would not act irresponsibly if a genuine crisis did in fact exist.

However, we cannot support the amendments standing in the name of the hon. member for Peace River because, in effect, what they do is, through the back door, subvert any active measures the government may take in dealing with an energy emergency. The bill provides, of course, that the government institute a mandatory allocation program, that this would be debated under the normal provisions and that it

would then be tabled. The Conservative amendment would allow for a motion to disallow the allocation program to be made within 25 days and disposed of within 15 days.

However, the real catch—and this is why we say that it subverts in a roundabout way—is that if the motion is not disposed of one way or another within the 15-day period, the mandatory allocation program announced by the government would automatically die. It seems to me that no government, in wanting to act responsibly, could allow this kind of cut-off to take place, this automatic undermining of a policy.

Surely if we have the debate when the government announces that an emergency is in existence, and if the House of Commons approves that there is an emergency, then we should accept the fact and not do as these three amendments suggest, that is, subvert the decision made by the majority in the House of Commons. Surely that is a normal and accepted practice. If we have a full debate and air the issues, we then accept the consequences of the vote of the day and the subsequent decision.

It seems to me that to go along with the idea of these amendments, which say that if we cannot resolve the matter either in the affirmative or the negative after 15 days any action the government may take to allocate supplies must immediately terminate, we are right back at square one and in the position of going through the whole process again. This will only cause chaos and confusion in terms of energy supplies throughout the country. It would prevent the government from acting quickly and effectively to ensure that Canadians receive their energy supplies by means of rationing or whatever form of allocation would take place.

As I say, in a way these amendments are a ploy and almost a subterfuge to undermine responsible action by government. We may disagree, as the opposition does on many occasions, with the policies of the government, but in the end we must allow that government, duly elected, to make decisions and take action. Otherwise parliament will degenerate into an ineffective operation and Canadian consumers will suffer the consequences.

I would have preferred the Conservative party to develop a more rational approach to energy in Canada and the problem of supply.

• (1500)

I cannot for the life of me see why they are wedded to this absurd proposal to dismantle Petro-Canada, the only option that gives us a chance to combat the arbitrary decision-making of the multinational oil companies in Canada as witnessed so recently by the Imperial-Exxon affair. If we do not have a publicly owned corporation to take effective measures, we will be forever at the mercy of these foreign oil companies which already own 90 per cent of our oil production.

We have to take steps to establish an alternative. Surely, in light of our past energy situation, that has to be a Crown corporation such as Petro-Canada. I wish the government were more serious about how it uses Petro-Canada. The minister likes to wrap himself in the flag and tell us how he is going to use Petro-Canada to get at the big bad boys, Exxon and Imperial. He can go a lot further in terms of having Petro-Canada take over the 100,000 barrels a day allocation that Imperial gives to eastern Canada so that we do not face the charges of a middleman called Exxon, or face the interruption of supply in the future.

So far, I understand from the minister that he has authorized Petro-Canada to negotiate for 100,000 barrels in addition to the 200,000 barrels already committed to Exxon and Imperial by Venezuela. I do not think that is good enough, nor do I think it good enough that the minister has not vociferously insisted that Imperial make up the 9,000 barrels per day shortfall that still exists in supplies to our eastern Canadian refineries.

The only way to counterbalance the power of companies like Imperial and Exxon is to have an effective and fully operational Crown corporation such as Petro-Canada. We in this party see a much enlarged role for Petro-Canada in our energy future.

To reiterate, Mr. Speaker, we in this party will have to vote against the three amendments standing in the name of the hon. member for Peace River (Mr. Baldwin) for the reasons I have outlined. I hope that we may move on to the other amendments that are before the House this afternoon without too much delay.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Ethier): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Ethier): The question is on motion No. 3 in the name of Mr. Baldwin.

All those in favour please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Ethier): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Ethier): In my opinion the nays have it.

Some hon. Members: On division.

The Acting Speaker (Mr. Ethier): I declare the motion lost on division.

Motion No. 3 (Mr. Baldwin) negatived on division.

The Acting Speaker (Mr. Ethier): This motion also disposes of motions No. 4 and No. 6.

Motions No. 4 and No. 6 (Mr. Baldwin) negatived on division.

Energy Supplies

Mr. Cyril Symes (Sault Ste. Marie) moved:

Motion No. 5.

That Bill C-42, An Act to provide a means to conserve the supplies of energy within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada, be amended in Clause 17 by

(a) striking out line 23 at page 13 and substituting the following therefor:

"market areas;"

(b) striking out line 28 at page 13 and substituting the following therefor:

"for the controlled product; and"

(c) adding immediately after line 28 at page 13 the following new paragraph:

"(d) designating Petro Canada as the sole importer of petroleum and petroleum products into Canada."

Mr. Gillespie: On a point of order, Mr. Speaker, could you just clarify for me the procedure right now. As I understand it, we are dealing with the last amendment before the House of this bill.

The Acting Speaker (Mr. Ethier): That is the understanding of the Chair.

Mr. Symes: Mr. Speaker, motion No. 5 standing in my name seeks to amend clause 17 of Bill C-42. Perhaps for the benefit of the House I should read it to put it in context and then explain the reason behind the amendment. The relevant part of clause 17 reads as follows:

17. (1) Where the Governor in Council considers it expedient to do so, he may order the Board to regulate the importation of any controlled product into Canada indefinitely of for such period as may be specified in the order.

(2) For the purpose of carrying out an order under subsection (1), the Board may make regulations

(a) respecting the quantities and qualities of any controlled product imported or to be imported during such periods as may be prescribed by the Board;

(b) respecting the storage of imported supplies of any controlled product in market areas; and

(c) respecting such other matters or things in relation to the importation of the controlled product as may be necessary to support a mandatory allocation program for the controlled product.

My amendment would add paragraph (d) as follows:

(d) designating Petro-Canada as the sole importer of petroleum and petroleum products into Canada.

You will notice, Mr. Speaker, that my amendment still allows discretion to the board to designate Petro-Canada as the sole importer of offshore oil. It is a discretionary provision in clause 17. The reasoning behind it is quite clear.

● (1510)

We could conceivably be faced with another interruption in supply of offshore oil to eastern Canada. The situation in Iran could worsen and production may not reach the level it was originally. As a result, Exxon or any of the other multinationals that supply other parts of the world aside from Canada may once again divert oil contracted for and bound for Canada. We will not be out of this predicament until we move toward a concept of self-sufficiency. It seems to me, if we are to be faced with this problem of multinational companies diverting oil destined for Canada that a way around the situation in an emergency is to designate Petro-Canada as the sole importer.

There are a number of advantages in doing this. First, we know that governments such as the Venezuelan government which currently supply 40 per cent of our imported oil are quite anxious to deal on a government to government basis. In that context Venezuela is quite anxious to deal with our state owned petroleum company Petro-Canada. In the event of an emergency it would seem to me to be much easier to contract for new supplies from some of these OPEC countries, if we were dealing through a sole importing agency such as Petro-Canada. Such a company could state to a government; "This is the emergency situation we have; we know what the allocation plans of the government are, and here is what we would like to contract for in terms of additional supplies." The government would not need to go to an intermediary, such as a parent company of multinational subsidiaries located in Canada, to ask for more oil from the parent company, and it would not need to ask the parent company to get more oil from the host country producing it. By having one agency, rather than a multiplicity of subsidiaries of multinational companies doing the contracting and arranging, it would facilitate things in times of an emergency instead of working under the traditional patterns of subsidiaries of multinationals which, as we have seen already, do not have a commitment to Canadian needs and priorities.

The second advantage of designating Petro-Canada as the sole importer would result in Canada having an effective window on the industry. It would know what is happening in terms of price and supply. One of the reasons we in the New Democratic Party, during a minority parliament, pressed so hard for the government to set up Petro-Canada was this very fact that we must always rely on the oil industry for statistics in terms of what oil is available and at what cost.

With a Crown owned agency responsible to the Government of Canada operating as the importer, we would be able to get an accurate assessment of what oil was actually available from host countries, and we would not have to rely on the middleman which the minister said in the House the other day skims off some of the money for arranging to bring this oil to us. Our own publicly owned corporation would be able to negotiate and would be able to tell us directly the cost of oil that we would need in an emergency situation.

Obviously we will have to get some oil on the spot market, but it is very important that we get oil at the cheapest price possible. When you are out wheeling and dealing in the international market and having to buy oil on the spot market, we know that the bidding and prices go up very quickly. If we have to rely on multinational oil companies to do that kind of bidding and arranging, especially in an emergency situation, past history has indicated—and indeed the minister's own comments in the House the other day have indicated—that the likelihood is that we will be charged more for oil imported during an emergency.

The middleman, the multinational oil company, and often its paper transacting corporations, or even the shipping lines

that it owns in terms of oil tankers, will be jacking up the price all the way along because of the vertical integration and the way these corporations operate. If Canada had one sole importing agency responsible to the Government of Canada, namely, Petro-Canada, we could get an accurate idea of supply and of what the real cost is. In that way we would protect the Canadian consumer.

It seems to me the lessons of the past few weeks and the lessons of the oil crisis of 1973 indicate that as long as we rely on the multinational oil companies, we, as Canadian consumers, will be jeopardized. We have been ripped off in terms of price and supply problems in the past. Anyone who remembers the famous lineups of cars at gasoline pumps in the United States during 1973 will recognize that much of that situation was contrived. The oil companies had the capacities in their oil refineries but deliberately kept production down to create an artificial shortage which created not only panic in the United States but helped to drive up the price as well. In light of that kind of history of manipulation, surely it becomes imperative that we give a bigger role to our own publicly owned national petroleum company.

To paraphrase the minister that he would like to eliminate the middleman, Exxon, in Imperial's deals with Venezuela in contracting oil for Canada, I would like to eliminate the other middleman eventually, namely, Imperial Oil itself, and use Petro-Canada as the importing agency to buy, and then in turn sell, oil to the refineries in Canada. It is not an impractical suggestion. It could be worked almost in the sense of a marketing board as we have in other product areas in Canada. It could almost be a paper transaction kind of situation. I would hope eventually we could move into the actual physical aspect of the operation that Petro-Canada could contract for tankers to move the oil. There is excessive tanker capacity in the world today, so that should not be any problem.

It seems to me that my amendment makes sense in that it gives the government an option in terms of the legislation. I stress this is not a compulsory amendment, but an option. It gives the government some authority if it wants to move in the direction of giving a greater role to Petro-Canada. I know the Liberals only move toward enhancing Crown corporations and the government's role in these areas when they are pushed right to the wall. I would hope that the government would take the initiative and try to prepare for crises, rather than having to react so rapidly when a crisis develops.

In the sense of propping up and giving the government some courage that there will not be any challenges to the role of Petro-Canada, I have moved this amendment to incorporate in the legislation the clear option that it can make Petro-Canada, in an emergency, the sole importer of offshore oil.

● (1520)

I think the arguments I have put forward in the context of our energy history, and the most recent developments, indicate we must have this very viable opinion, a full utilization of Petro-Canada. Otherwise we could not solve this recurring crisis facing Canadians in terms of manipulation of the oil market by multinational oil companies. Those companies do not have loyalty to any one country or to the populace of any country, only to themselves and their maximization of profit.

I commend my amendment to the House. I know in committee the minister was not favourably disposed toward it. That was before Mr. Armstrong of Imperial Oil announced that he would ignore the demands of the minister with regard to having Imperial act directly with Venezuela rather than through Exxon. The minister has been given a slap in the face by Imperial on two counts. First, he said that Imperial must deal directly with Venezuela. He has been turned down. Second, the minister said that any diversion of oil by Imperial was unacceptable. He has been turned down on that ground as well because Imperial is still diverting about 9,000 barrels a day.

In light of this most recent history I think the minister will see the wisdom of my amendment, change his opinion, and accept it. I therefore commend it to the House.

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, because this is the minister's bill I thought he might want to reply to the mover of the amendment. In the event that he does not, I would like to take a few short minutes of the time of the House.

What the NDP amendment does is suggest, as usual, one of two crutches that a socialist party anywhere has. First, if they do not like what is going on, they want it nationalized. This was even the attitude a few weeks ago of some NDP members of the House when we were discussing Air Canada and CNR. They almost forgot themselves and cried out that if we nationalized both of those, it would be the answer to everything. That is their answer on the post office problem—nationalize the Post Office and that will cure everything.

The other cure that they come up with is some sort of statement on organization. If anything is going wrong and if you cannot nationalize it, or if it is against the popular will, their simplistic view is to set up a state run organization of some type or other to cure all the little ailments. It is very depressing to see a minister of the Crown in what used to be a Liberal party, parrot and mimic that type of approach all down the line. Certainly Canada has a crude oil or energy problem. It is as a result of a lack of a decent policy. In desperation the government reaches over and starts to parrot and mimic socialists by saying that the answer to all our prayers has to be Petro-Can.

I wish to point something out to the House. This amendment calls for Petro-Canada to be the sole, only, and exclusive importer of offshore oil in times of an emergency. The idea is that Petro-Can would apparently be in a better position than anyone in government or industry to ensure that we get our continuing share of crude oil from offshore. Presumably because the minister has now agreed to insert Petro-Can into the allocations basis, Petro-Can will have an immense part to play in regard to the allocation of that crude oil domestically to refineries. I merely point out one conflict of interest of Petro-Can in that event. If Petro-Can is merely a state oil

trading company, that might be possible. Of course it is far more than that. It is in the distribution business, the refining business, and the retail business as well. There would be immense conflict of interest in attempting to have a state trading concern import and allocate oil to the industry, including itself. We would have to look upon that with some suspicion.

Getting back to the emergency situation, there is no need for Petro-Can or any other single state agency to be inserted into the offshore situation in times of an international emergency. There is already an international agency which does that, the International Energy Agency. It was set up by treaty with 19 signatories, including this country, which will operate and run it.

Under the international treaty that Canada belongs to, the IEA has set down an allocation formula. It will oversee, supervise, and correct any inequities and imbalances with regard to that type of international solution. Therefore, there is no need for Petro-Can to be inserted into the international offshore crude oil market in the event of an international emergency. The control agency is already there. It is not a Canadian one, it is international.

I have to believe that the purpose of our socialist colleagues in the House goes far beyond the international emergency situation. I feel they want Petro-Canada to be given the power, the foot in the door, so that it can gain experience in the international field, a situation in which it has little experience at the moment. It could eventually be the sole and exclusive importer of offshore oil in all circumstances, both in times of emergency and non-emergency. That would be a disaster, for many reasons.

First, in an emergency situation at the very time that experience, storage facilities and international knowledge are needed, when there is an impending shortfall of crude oil on the international scene, that is not an advisable time to insert an inexperienced management group. It would not have the international knowledge of where the crude oil may be on the spot markets. It would be the very worst time to set up Petro-Can or any inexperienced, amateurish, state run agency in the international field.

I certainly do not want to defend in any manner, shape or form the present or past history of the multinational oil companies of the world in the world market. On many occasions they certainly have not acted in Canada's best interest. They may not even be acting in Canada's best interest right now. They are obviously acting in their own best interests. That is what they are there for. There is no question about that, but I suggest that at times of shortage or impending shortage the one and only asset we can use in the national interest as far as multinationals are concerned is their knowledge and experience and their access to these international pools, especially if they have binding contractual agreements with Canadian companies. The very time when there is an impending shortage in the international field is certainly not the best time to change horses.

[Mr. Lawrence.]

• (1530)

It is a shame, and one of the tragedies of this government and this country that we have to rely on multinationals at any time for any amount of crude oil. However, that is another story for perhaps another debate on another series of amendments. Perhaps that could be debated at third reading, but this is certainly not the time for that. I think this is not the moment to allow Petro-Canada a foot in the door. A time of emergency is not a good time for Petro-Canada to be leading up to being the sole and exclusive importer of all offshore oil for all time. I would be interested in hearing the minister's views on whether that is the way we should be proceeding with Petro Canada. I do not believe we should.

Let us consider what would have happened, for instance, if Petro-Canada had been the sole importer of Iranian oil at the time of the Iranian revolution or, to coin an Irish phrase, the "troubles" in Iran of last December and January. Canada receives supplies, as I understand it, from Iran through a number of companies, BP, Petrofina and Gulf. In addition, my understanding is that other multinationals such as Mobil, Exxon, Shell, and perhaps Texaco, also receive Iranian supplies, but those companies certainly did not ship Iranian oil to this country. It was shipped mainly through BP, Petrofina, and Gulf. There may have been a few small independents as well, but if instead of all those multinationals we had had only Petro-Canada, I wonder what different sources Petro-Canada would have had to make up for any deficiencies which would have hit us. They would have hit us very hard if we had been solely dependent on Petro-Canada at that time.

Petro-Canada is to be the only wholesaler or buyer of Mexican crude oil, which we all hope some day will come on stream so that we can utilize it here in Canada, at least in the short interval before we are solely dependent on our own.

Mr. Paproski: We are not sure about that either.

Mr. Lawrence: It has been suggested to me by people in the industry that having Petro-Can officials inserting themselves into the Mexican situation at the request of the minister set back some very serious negotiations which were already under way between such Canadian companies as Gulf Canada and Mexico. For years Exxon bought Mexican crude. Gulf Canada, for instance—and there are other examples as well—was at the point of finalizing very serious negotiations with Mexico. Access by this country to Mexican crude has been delayed by a number of months—

Mr. Gillespie: Nonsense.

Mr. Lawrence: —solely and simply because Petro-Canada people have no experience and no negotiating expertise in this field whatsoever. Again it is an example of the heavy hand of government. People in the industry and even some in the minister's department were not consulted. They did not have advance knowledge of what the minister was going to do.

At the moment Exxon receives 600,000 barrels per day of Venezuelan light crude. I understand that the contracts be-

tween the Venezuelan producers and Exxon are fairly binding. The minister is now attempting to get people to break contracts which they have with Exxon. He is attempting to have some of that oil diverted to Petro-Canada so that Petro-Canada can supply people on the Canadian scene. That is a bit of a contradictory policy. The minister is obviously pushing Petro-Canada for all it is worth as a middleman instead of multinationals. I am not sure that this is the time for that type of intervention, but are we to believe that Petro-Canada is doing what it is doing out of charity?

The other day the minister made a dramatic scene in the House about middlemen's profits. That was nonsense. If Petro-Can is to be the middleman, it will charge fees and commissions. In some cases those fees and commissions will be greater than the present ones. There are some Canadian companies which deal directly with the producers in Venezuela. For instance, Shell buys its Venezuelan crude directly from Petro-Ven of Venezuela. As I understand the minister's policy now, he is telling Imperial Oil to deal directly, but on the other hand he is telling Petro-Canada to make sure it is the only one to buy Venezuelan crude and to sell it to Imperial Oil. I say that is contradictory. Apparently it all depends on what day of the week it is, because this minister can certainly speak out of both sides of his mouth on this matter. Such intervention might have been acceptable a year ago when there was a glut on the international market, but there should be no intervention now of Petro-Canada in the international trade picture.

This is positively the worst time to be upsetting complex negotiations. I suggest that for three reasons. First, in no way can the minister or Petro-Canada guarantee that they will get the quality of light crude which Canadian refineries need. The minister can evade all the questions in the House about this he wants, but there is no way he can guarantee that, and neither can Petro-Canada. Neither can the Venezuelans because they are not too sure yet whether they can break their contractual agreement with Exxon.

We know that there is no other light crude available. As a matter of fact Venezuela is running out of light crude. It will run out of that immensely valuable crude by 1981 or 1982. Neither the minister nor Petro-Canada can guarantee the quality of oil we will get, if we get any.

Second, the minister cannot guarantee quantity. There may not be a sufficient quantity of Venezuelan oil unless there is some reduction under the Exxon contract.

To hold Petro-Canada up as the answer to a maiden's prayer with respect to this problem we are in is ridiculous. I excuse the hon. member for Sault Ste. Marie (Mr. Symes) because he does not know any better, but the minister should know better, and it is the minister who is leading the Canadian public down the garden path by making the statements he makes.

● (1540)

The third and final point is the question of price. There is no way that Petro-Can is going to get the oil at a cheaper price or even at the same price that Exxon and Imperial are paying for it now. The reason for that is very simple. That is the reason why the Venezuelans themselves have been leading the minister on, and the Minister of Energy, Mines and Resources (Mr. Gillespie) has walked into their trap. Let me just tell you why.

I have talked with Venezuelans in Venezuela and with Venezuelans in Canada; I have talked with Canadians in Venezuela and with Canadians here who have had many years of experience down there. At one time, before the nationalization process down there, a huge number of Canadians technicians and officials were there, very good Canadian citizens who were of great benefit to Venezuela. We have an immense pool of knowledgeable people in this country and I can tell you exactly what the situation there is.

The Venezuelans are as fed up as many of the other producing countries are of the squeezing near-cartel of these multinationals that has existed for 50 years in the international market place. At present they feel they are squeezed by Exxon which takes at least 600,000 barrels a day from them. When you have a single large buyer like that, obviously you do not have all the levers at hand in order to up the price. What the Venezuelans would like to see—and I contradict the minister—is a number of smaller, amateurish buyers coming in to buy that 600,000 barrels a day output from Venezuela rather than just Exxon. They do not care whether they are state oil companies or private oil companies. Their only purpose is to break up that near cartel. Why? So that they can play one of these small buyers off against another.

If they can sucker Canada and Canada's Minister of Energy, Mines and Resources into putting enough pressure onto Imperial and onto Exxon to get part of that daily output from Venezuela—and it will only be a part—they will have felt they might well break the near monopoly of Exxon.

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. gentleman but the time allotted to him has expired.

Mr. Lawrence: May I finish in 30 seconds, Mr. Speaker?

The Acting Speaker (Mr. Ethier): Is there unanimous consent for that?

Some hon. Members: Agreed.

Mr. Lawrence: I will merely repeat once more that by inserting Petro-Canada into this deal the minister cannot guarantee the quality of oil we need for our refineries because they need a particular type of light crude; second, he cannot guarantee the quantity of oil that we may be needing because Exxon may not have the contract broken; and finally, by inserting Petro-Canada into the Venezuelan deal, the Canadian consumer or taxpayer, one or the other, will pay a great deal more for his gasoline and fuel oil at the pumps and from the trucks than he has ever paid before, thanks to the actions of this minister and this government.

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, the observations of my friend and colleague, the hon. member for Northumberland-Durham (Mr. Lawrence), in terms of the

situation in Venezuela are absolutely true and, if anything, incomplete in terms of a description of the kind of market place to which this minister is sending Petro-Canada.

Mr. Gillespie: Leave it all to Exxon.

Mr. Andre: Every importing nation, all of the European Common Market nations which import, and that includes all of them, countries like Japan and other western industrialized nations, will have felt the pinch of Iran. Every one of them will be down in Venezuela and Mexico and other places trying to negotiate a deal for their countries. Under such circumstances, we saw in today's paper that Venezuela intends to raise the price on a barrel of oil by 25 per cent. They are in a beautiful situation. This minister and this government are sending down a novice group to negotiate, with instructions to get 100,000 barrels a day, we do not know at what price. They can pay any price they want. Also, there is no question of quality. Quality is not something that the minister is bothered about, nor is price. The group is just told to go down there and buy 100,000 barrels of oil a day. Anybody can do that with a blank cheque.

Mr. Baker (Grenville-Carleton): Yes, Goyer did it.

Mr. Andre: Yes, we had that experience in 1974 when the government paid $45 for a barrel of oil, the highest price we ever paid for oil. It was the last time this government went out to buy oil and it was the highest price ever paid for heating oil. It worked out to $45 a barrel, and it was not good heating oil because the sulphur content was so high that it had to be blended.

Mr. Paproski: The minister said he sent it back.

Mr. Andre: So now we are going to send the same group down to Venezuela with a blank cheque and tell them to buy us 100,000 barrels a day. It is the sincere hope of that minister that when the bill comes in for that little exercise, the election will have been over and in the meantime he will have stood up and said: "I stood up to Exxon". My, what a tough fellow he is.

The motion moved by the hon. member for Sault Ste. Marie (Mr. Symes) of the NDP is to be expected. It is their doctrine and their dogma that the government should do everything, that Big Brother knows better than you or I, that Big Brother should run everything, not just the oil industry but the Post Office, and so on, that Big Brother is the one who knows all, and that Big Brother in the form of state ownership should run the entire country. I understand that, but I do not agree with it.

I think that socialism is a political philosophy and an economic system which have not worked anywhere in the world. I cannot understand how it is that people continue to advocate an economic system that has a proven record of failure everywhere it has been tried. Nonetheless, I respect that party's right to carry on advocating such silly economics. But what really got me was the rationalization of this dogma when the hon. member said that by putting Petro-Can in the international oil markets and by having Petro-Can buy all of Canada's oil, we will have a trusted Crown corporation to give us a window on the world market.

Obviously the hon. member believes, for dogmatic reasons, that Crown corporations are good and can be trusted. Does he feel the same about Atomic Energy of Canada Limited and their little deal with Argentina? I wonder perhaps if he would explain to me sometime how he can be so absolutely certain that a Crown corporation with the name of Petro-Canada can be trusted to be honest, efficient, and effective, when we have had the experience with a Crown corporation whose name is Atomic Energy of Canada Limited which sold a reactor to Argentina. First we lent Argentina the money to buy the reactor and the contract will cost us millions of dollars, and then we had to pay under the table bribes to get the contract. Here is a classic case of what is wrong with Crown corporations.

When that deal was first signed, the predecessor of this minister, Donald Macdonald—who, incidentally, is now a director of Shell, one of the big, ugly multinationals, and he was fighting multinationals in the 1974 election but now he is their director—stood up and said that AECL is a classic example of the wonderful things that Crown corporations can do for us. He said that because he was pushing through the Petro-Canada bill at that time. He said that we should look at how wonderfully Atomic Energy of Canada had done in selling this reactor; that it was at the forefront of world technology; that it was doing great things which would be tremendous for Canada; and that we should see Crown corporations as wonderful and marvellous vehicles.

● (1550)

When the Auditor General looked at the books we found out the truth about the deal. It was after the election when we found out the truth. One could not find a minister who would admit ever having heard of the name "Atomic Energy of Canada, Ltd." One could not find a minister who would come forward and take responsibility for its actions. This should have been done by the Minister of Energy, Mines and Resources (Mr. Gillespie). That was all forgotten, and a new Crown corporation came along. It is called Petro-Canada and it will save us. The onus is upon the government to prove that nonsense before attempting to persuade the Canadian public to accept it. The public is faced with the record of Crown corporations, particularly Crown corporations under the responsibility of the Minister of Energy, Mines and Resources. Those corporations are the ones with the most dismal record.

As I indicated, I respect the right of the NDP to be wrong. They advocate a socialist economy and state ownership, for dogmatic reasons. Also for dogmatic reasons they proposed this amendment. It behooves us to think carefully about the consequences of doing this. If Petro-Canada were the sole purchaser of all Canada's offshore supplies of energy, all our eggs would be in one basket. An enormously important sector of the economy would be in the hands of the chief oil buyer of

Petro-Canada. If he made a mistake, the entire country would suffer devastatingly.

I ask the House to consider for a moment the threat of the multinationals. When one takes away all the hyperbole surrounding multinationals, one realizes that they are a threat to our sovereignty. They can do and say things which offend us as a sovereign nation. We feel offended that companies headquartered elsewhere could have such a profound effect on the country and we can merely react. We in this party found that offensive, and the country finds it offensive as well.

Mr. Pinard: Prove it.

Mr. Andre: I am getting to that. If we proceed with this motion and Petro-Canada is our sole purchaser abroad, one must think about the restrictions on our sovereignty and on our freedom to act in foreign affairs. Last week the president of OPEC made a suggestion that they should require that all purchasers of OPEC oil and gas must adhere to and support the Palistinian position in the Middle East. Can one imagine what would happen if our state-owned oil company purchased all our offshore oil from the Middle East, from Arab countries?

An hon. Member: Why would they do that?

Mr. Gillespie: The hon. member should rethink that comment.

Mr. Andre: Again the minister is showing that his intelligence level is below average. If we are to have an oil purchaser, presumably he will buy from all of the selling nations. Is the minister in all honesty suggesting that we should deal with one country only, and be totally at risk in terms of the policies of that country? Of course not. It will be spread around.

Mr. Gillespie: You suggested that we should buy all our oil from the Middle East.

Mr. Andre: No. We would buy it from the Middle East, Nigeria, Mexico, Venezuela and so on.

Mr. Gillespie: Now you are changing your comments.

Mr. Andre: If the minister would listen and perhaps read the newspapers, he would have seen the quote from the president of OPEC suggesting the OPEC nations require that the nations purchasing OPEC oil support the Palestinian cause. Is the minister prepared to stand in Etobicoke and say, "We will sacrifice sovereignty in terms of an independent foreign policy. We are quite prepared to say we are sorry to Israel but we cannot support you any more because our national petroleum company will be cut off from its supply of OPEC oil, and that will be too devastating to the country"? Is the minister prepared to say that in all honesty?

The Acting Speaker (Mr. Ethier): The hon. member for Sault Ste. Marie (Mr. Symes) rises on a point of order.

Mr. Symes: Mr. Speaker, will the hon. member permit a question?

Mr. Andre: I will answer the hon. member's question in a moment. The member refers to the threat of the multinationals in terms of our sovereignty. I recognize and agree with the threat, except this very important fact cannot be defended: we know what motivates the multinationals. Profits motivate the multinationals, as they motivate Canadian companies or anyone in business. We know the rules under which they will operate. Therefore our regulations, laws and procedures can accommodate this known behaviour. Would some member in the House like to predict how Ayatollah Khomeini will behave? Can some hon. member say with absolute certainty how future governments of Venezuela will behave? Can some member predict how Saudi Arabia will behave?

Some hon. Members: And Exxon?

Mr. Andre: Exxon and the multinationals, which hon. members opposite speak about, will seek to maximize their profits. Did they not hear that? Did they not understand that? I am not surprised.

My second point is that all these companies have assets in the country over which the government can exercise authority. The government has a lever which it does not have in terms of offshore countries.

An hon. Member: Why?

Mr. Andre: Because the minister has not exercised the lever.

An hon. Member: How?

Mr. Andre: If he wanted to he could. It is wrong for the minister to suggest that Petro-Canada will bail us out through Venezuela and Mexico. When we get down to the bottom line, it is offensive to think of the Department of External Affairs in its new building on Sussex Drive with hundreds of high-priced very capable people. I am led to believe this, but I do not have much to do with them. The Department of Industry, Trade and Commerce has trade commissioners all over the world. There is an ambassador in Venezuela. The Canadian Commercial Corporation was created for the purpose of state-to-state business deals of the kind being talked about. Why does the Department of External Affairs not do its job and negotiate with the Venezuelan government? Why do our trade commissioners not sign a trade agreement with Venezuela if that is what we want? Why do we not use the Canadian Commercial Corporation?

Every time we find out the government has not been doing its job, why is a new department, agency, Crown corporation or layer of bureaucracy created? It is given a fancy name; and the government says that it will cure the problem. These lads must be tripping over each other. What is the trade commissioner in Venezuela doing? If he is not negotiating in Caracas in terms of oil then we should get him out of there and put someone in who knows how to do the job. What is our ambassador doing in Venezuela? Why do we need another

layer of bureaucracy? Canadian taxpayers are paying handsome salaries to these people. Why do they not do their jobs? Why do we need another layer of bureaucracy?

[*Translation*]

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

PRIVATE MEMBERS' PUBLIC BILLS

[*Translation*]

The Acting Speaker (Mr. Ethier): Item No. 9, the hon. member for Burnaby-Richmond-Delta (Mr. Siddon). Shall the item stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Ethier): Stand by unanimous consent. The hon. member for Vaudreuil on a point of order.

[*English*]

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, I notice Your Honour called item No. 9 as the first order of business under private member's business according to today's order paper. I am rising at this time because it is the first opportunity to question why the order paper was printed in this fashion. There is item No. 32 which is to be called for third reading and which, in my opinion, should be at the top of the list of private members' business.

● (1600)

In a few words I am going to explain why I believe there has been a wrong order of business printed in the order paper today.

Standing Order 18(1) states quite clearly that:

All items standing on the orders of the day, except government orders, shall be taken up according to the precedence assigned to each on the order paper.

That is quite clear. In other words, the order of business is predetermined and is not something that can be changed except by consent of this House.

I want to read Standing Order 20(2) as that is possibly where the difficulty arises. It states:

After any bill or other order in the name of a private member has been considered in the House or in any committee of the whole and any proceeding thereon has been adjourned or interrupted, the said bill or order shall be placed on the order paper for the next sitting at the foot of the list under the respective heading for such bills or orders.

Apparently, from what I have been able to look at today, it has been the practice in the past in this connection to drop a bill such as No. 32 to the bottom of the list of public bills. I find that this has not been contested and, though it may be establishing some sort of precedent, I question that this is the intent of the standing order.

I want to turn to the first part of Standing Order No. 20(1) which states clearly:

The day to day precedence on the Order Paper of Private Members' Business, except as otherwise provided, shall be as follows:—

Again, there is no option or choice. The Standing Order then lists paragraphs (a) to (f), (a) being third reading and passage of bills; (b) being the consideration at the report stage of any bill reported from a standing or special committee. I would at this moment only mention paragraph (f) which says "other orders", and I assume that must refer to items such as notices of motions, notices of motions for the production of papers, and notices of motions (papers).

The point I want to make is that the bill in question, item No. 32 on the list, was brought into this House from committee at report stage and was listed in Tuesday's order paper as the first item of business. It was listed as the first item of business because there were no public bills at third reading that had precedence, and there were no bills that were at the report stage, so it appeared on the order paper in first position and was debated.

That bill is now at third reading stage and I suggest that it should be at the bottom of the list of bills which are at third reading stage in the list of private members' business. Of course it is the only bill which is at that particular point, third reading, so it should be the first item of business called today.

I will make one more point. On Tuesday of this week the bill was at report stage on the order paper. Today the bill is at third reading stage, and that is another reason it should not be considered in the same category, perhaps, even as on Tuesday of last week. I therefore suggest, Mr. Speaker, that you call as the first item of business today item No. 32, a bill which is standing in my name.

Mr. Donald W. Munro (Esquimalt-Saanich): On the same point of order, Mr. Speaker, I followed with interest and some curiosity the line of argument being advanced by the hon. member for Vaudreuil (Mr. Herbert) who has had the temerity to bring forward a bill that he believes is designed to eliminate certain divisiveness in this country but which, instead, of course, is producing divisiveness, and pretending that he can bend the rules of this House in the way he is trying at the present time to have his particular divisive bill put at the top of the list when, as he alleges, it has passed report stage. If I remember correctly, the last person on—

Mr. Herbert: I rise on a question of privilege, Mr. Speaker.

Mr. Paproski: Let him finish.

Mr. Herbert: This is on a question of privilege.

The Acting Speaker (Mr. Ethier): Order, please. The hon. member for Vaudreuil (Mr. Herbert) is seeking the floor on a question of privilege.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I am speaking on a point of order and—

Mr. Herbert: This is a question of privilege.

Mr. Paproski: Let him finish his point of order.

The Acting Speaker (Mr. Ethier): Order, please. I recognize the hon. member for Vaudreuil on a question of privilege.

Mr. Herbert: Mr. Speaker, my reason for rising on a question of privilege is that I very carefully discussed a point of order. I have been discussing an order of this House, and the member has now introduced into his argument on the point of order some points concerning the bill which I did not introduce and do not want to introduce at this time. I am discussing only a point of order and I respectfully suggest that you do not allow any discussion of the bill itself, the implications of the bill or any points in connection with it, but that we deal solely with the point of order.

The Acting Speaker (Mr. Ethier): Order, please. After listening to the hon. member for Vaudreuil (Mr. Herbert) I think he is quite right. He has raised a point of order which concerns a matter of great importance to him since this is his bill. Perhaps with the indulgence of the House I would suggest that the Chair take this point of order under consideration and render a decision at a later date. I will recognize the hon. member for Esquimalt-Saanich (Mr. Munro) for the purpose of discussing the point of order, without any reference to the subject matter of the bill.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, on the point of order itself, it does seem to me that the argument advanced is to the effect that the bill, which was at report stage at the conclusion of Tuesday, as it appears at page 4119 of *Hansard*, ceased to be at report stage just because the hon. member for Frontenac-Lennox and Addington (Mr. Alkenbrack) who had the floor at the time, called it five o'clock. I feel the argument he is using is phony because the bill could still be at report stage. There is no evidence as I see it that it has ceased to be at report stage. The hon. member argues that it is now at third reading stage and should go to the head of the list of private member's bills which are at third reading, this being the only one. That is a completely specious argument, and these matters ought to be taken into account when you are making your ruling, Mr. Speaker.

[*Translation*]

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): On a point of order, Mr. Speaker. I wonder why the hon. member for Edmonton Centre (Mr. Paproski) wishes to prevent me from speaking. He says: "No more". It seems to me that I have the right to rise in the House on such a serious point of order.

Some hon. Members: You are wasting time.

Mr. Pinard: I will be brief, Mr. Speaker, but I would have liked the preceding speaker to put more meat on the point he was trying to make. He claims, without explaining why, that the reasons given by the hon. member for Vaudreuil (Mr. Herbert) are ridiculous and unfounded. Anyone who reads Standing Order 20(1) and (2) with serious intent and an intelligent mind will see that a distinction must be made between a bill at the third reading stage and a bill still in second reading or at any other stage mentioned in sub-paragraphs (b), (c), (d) and (e) of Standing Order 20. If we, as legislators, had not wished to give bills at the third reading stage priority, we would have remained silent on the subject, Mr. Speaker, and all we would have required is that once a bill had been dealt with at one stage and time had lapsed, it goes to the bottom of the list without exception.

But if we have deemed it necessary to provide all the distinctions set out in Standing Order 20, it must be because we wished to give priority to some bills on the basis of the stage to which each had progressed. So it seems to me, offhand, that the point raised by the hon. member for Vaudreuil is a valid one. I know you are about to reserve this matter. I do not wish to force the House to adopt my view, since it is not in my power today to give priority to the bill introduced by the hon. member for Vaudreuil over the one sponsored by the hon. member for Laprairie (Mr. Watson). If you are about to reserve this important matter, Mr. Speaker, I would urge you to read carefully Standing Order 20(1) and (2); I am convinced you will find there the reason why we deemed it necessary to give bills at the third reading stage priority over those, for instance, still on second reading. And if we follow the logic expounded by the hon. member for Vaudreuil, I think it will be found to be more convincing than the groundless argument expressed by the follow-up speaker.

• (1610)

[*English*]

Mr. Steven E. Paproski (Edmonton Centre): The problem, Mr. Speaker, is that the hon. member for Vaudreuil (Mr. Herbert) and the Parliamentary Secretary to the Deputy Prime Minister and President of the Privy Council (Mr. Pinard) are taking up the time allotted to the hon. member for Laprairie (Mr. Watson) in this private members' hour. Every time the hon. member has a private members' bill before the House, the government side seems to want to filibuster it. I am surprised.

The Acting Speaker (Mr. Ethier): Order, please. There have been contributions to the point of order by the hon. member for Vaudreuil (Mr. Herbert), the hon. member for Esquimalt-Saanich (Mr. Munro) and the Parliamentary Secretary to the President of the Privy Council (Mr. Pinard). All three contributions will be taken into consideration and a decision will be rendered at a later date.

Order No. 9, the hon. member for Burnaby-Richmond-Delta (Mr. Siddon). Shall the order stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Ethier): Stand by unanimous consent.

Order No. 13, the hon. member for Prince George-Peace River (Mr. Oberle). Shall the order stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Ethier): Stand by unanimous consent.

Order No. 16, the hon. member for Esquimalt-Saanich (Mr. Munro). Shall the order stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Ethier): Stand by unanimous consent.

Order No. 17, the hon. member for Surrey-White Rock (Mr. Friesen). Shall the order stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Ethier): Stand by unanimous consent.

* * *

[*Translation*]

ABANDONED RAILWAY LINES CONSERVATION ADVISORY AUTHORITY ACT

MEASURES TO CONSERVE ABANDONED RAILWAY LINES

Mr. Ian Watson (Laprairie) moved that Bill C-221, to provide for the establishment of an authority to conserve abandoned railway lines in Canada, be read the second time and referred to the Standing Committee on Transportation and Communications.

He said: Mr. Speaker, Bill C-221 provides for the establishment of an authority to conserve abandoned railway lines in Canada. Canadians are becoming increasingly aware of the possibilities offered by abandoned railway lines and unused rights-of-way in the field of rapid urban transport and recreation. Too often in the past, buildings were erected on portions of lines sold by the railway companies, which virtually prevented the establishment of urban transportation, bicycle paths, foot paths, or snowmobile trails. In the long run this bill will protect the interests of the people in urban transportation and recreation by conserving the use of lines and rights-of-way of abandoned railway lines.

[*English*]

Increasing numbers of people in Canada have come to realize what a fantastic, unused resource are these lines running out from cities which provide a linkage between our urban areas and the countryside, these lines of open space which have a potential as linear parks not only for bicycle paths and hiking trails, but for other imaginative recreational uses. These strips in most cases link urban centres with the countryside and have the potential to form the basis for a network of trails and bicycle paths which would provide a recreational opportunity for people that, up to now, has not been available to either citizens of the city or the countryside.

The CNR offers these lines to the provinces and has indicated that henceforth it will offer any such abandoned railway lines to the provinces if they are prepared to pay the market price for them. The CPR has taken the position that it will simply sell the lines back to the contiguous line owners.

Mr. Knowles (Winnipeg North Centre): Sell them back! They were given the lines in the first place.

Mr. Watson: Right. When these lines were originally built, the railway companies benefited from government assistance.

It seems to me that this resource has the great potential of improving the quality of life which we enjoy in our cities and towns. Under no condition should we be allowing the railway companies to turn back this land to the neighbouring owners at prices which usually do not provide a productive return to the railway companies. Even if a small portion of a line is sold, it ruins the potential of that line being used. Such a network would enhance the ability of people within its area, and even of people living between cities which are a considerable distance apart, to communicate with each other by means other than highways and existing railway lines.

The bill which I have proposed would set up a committee that would be empowered to advise the government in so far as these railway lines are concerned. It would advise the government on, for example, the best way of taking an inventory of the existing abandoned railway rights of way in Canada, which would include a determination of just who owns what as far as these lines are concerned, because there is a great deal of confusion about who in fact does own some of the rights of way.

I believe that at the moment the CPR is in litigation which could be extremely expensive from its point of view, resulting from such a situation where it has found that one of its main lines belongs to somebody other than the body to whom they thought it belonged. Another thing which this advisory committee could do is assess and determine the potential use of such a right of way for rapid transit. We passed a bill on April 30, 1974, which allowed the re-use of railway shunting yards for other purposes within city cores. That bill, the Railway Relocation Bill, also provided for the upgrading of existing railway lines for urban transit purposes.

Mr. Paproski: And the government promised a lot of money for it too, remember?

Mr. Watson: Yes. Unfortunately this government has ignored this bill recently, but the lines are still there and the potential is still there. In my view, we will have to make use of those lines sooner or later. If we follow what I propose in Bill C-221 we would be more adequately prepared for that potential use of the lines for rapid transit purposes. The committee which I am suggesting would advise the government on wheth-

er it would be wise to use such a line for a bicycle path, a nature trail, a hiking trail, snowmobiles in the wintertime—these things would have to be ironed out with local authorities. In my view they are matters which also would have to be decided primarily by the provinces or the local municipal authorities in the area through which the line might run.

• (1620)

If we at the federal level do not take the steps at least to slow down the process of throwing these abandoned lines on the open market after a very short period where, if they are not literally given away, they are sold off in a manner which further spoils forever their potential, then we are not taking our responsibilities seriously. The cost of preserving the lines would not be too great. I feel that if this bill is not going to pass there are two or three things we should do. Mr. Speaker, I think I am about to be interrupted.

THE ROYAL ASSENT

[*Translation*]

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

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

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

And being returned.

Mr. Speaker: Order, please. I have the honour to inform the House that when the House went up to the Senate chamber, His Excellency the Governor General of Canada had been pleased to give, in Her Majesty's name, the Royal Assent to the following bill:

Bill C-29, an Act to amend the National Housing Act and the Central Mortgage and Housing Corporation Act and to make other related amendments—Chapter No. 16.

• (1630)

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

ABANDONED RAILWAY LINES CONSERVATION ADVISORY AUTHORITY ACT

MEASURE TO CONSERVE ABANDONED RAILWAY LINES

The House resumed consideration of the motion of Mr. Watson that Bill C-221 respecting the establishement of an authority to conserve abandoned railway lines in Canada be read the second time and referred to the Standing Committee on Transport and Communications.

Mr. Ian Watson (Laprairie): Mr. Speaker, I was in the process of giving some reasons why, in the event—

Some hon. Members: Can we call it five o'clock?

Mr. Speaker: Order, please. When we were summoned to the Senate we were in private members' hour. The hon. member for Laprairie (Mr. Watson) had the floor. Private members' hour is scheduled to continue until five o'clock, so the hon. member for Laprairie should continue.

Mr. Watson: Thank you, Mr. Speaker. When we were interrupted I was in the process of indicating that if this bill which I have proposed today and which deals with abandoned railway lines is not going to be passed by the House, there is nevertheless a necessity for the government to act now and I want to take this opportunity to urge certain action upon the government.

CNR is the only one of the two national railways that takes a reasonable attitude toward railway lines. They at least offer these abandoned railway lines to the provinces; the CPR does not even bother to do that, but I should point out the CNR's position. This is a position they indicated was their policy two or three years ago. It reads:

> Once abandonment of a line has been approved by the Canadian Transport Commission, salvageable materials are removed, such as bridges, tracks and ties, and steps taken to dispose of the land and remaining improvements. Attempts are made to dispose of the property en bloc to government bodies or agencies, such as provincial or local municipal governments and provincial hydro commissions. In the absence of interest on their part and on the part of public utilities, such as Bell Telephone, steps are then taken to dispose of the land to adjoining owners. In every case we endeavour to get market value for the lands involved.

Experience has shown that even the one year notice the authority would receive from the railway before the railway would be able to divest itself of any section of an abandoned railway, which my proposed bill suggests, is not adequate. Upon reflection, we will need a period of up to about five year before a railway should be allowed to dispose of such an abandoned right of way. This is not an excessive period when one considers the length of time we take to iron out conflicts between different levels of government. If one is caught in a situation where the land is offered to a province and one provincial department cannot make up its mind and the matter is referred back to some federal department, and so it goes to a

second federal department, two or three years can be used up very quickly.

If we cannot pass a bill like this quickly what should be done in the interval is for the government to initiate a new procedure for dealing with abandonment of railway lines or rights of way with the railway committee of the Canadian Transport Commission.

Without being totally specific with my recommendation as to what they should do, the principle would be that they make sure no section is alienated or sold, or in any way disposed of without allowing for an exhaustive examination of alternative public uses. I have already gone over these alternative uses. Whether it is rapid transit or various forms of imaginative recreational uses, and more and more of them are being suggested all the time, we should give the public—whether it is through the provincial government, through the federal government, through the municipal governments or through local societies or clubs—plenty of time to decide what they can do with this land usefully and inexpensively.

I would hope that if we cannot come to any conclusion on this bill today, at the very least the member of parliament who will be responding on behalf of the Minister of Transport (Mr. Lang) will be able to indicate in a positive way that the government will give consideration to making such a suggestion to the railway committee of the Canadian Transport Commission.

● (1640)

[*Translation*]

Mr. Marcel Ostiguy (Saint-Hyacinthe): Mr. Speaker, I should like also to contribute a few remarks concerning Bill C-221, an Act to provide for the establishment of an authority to conserve abandoned railway lines in Canada. This bill suggests a number of objectives which are indeed commendable and worthwhile, but I am not sure that the means it proposes to reach them are the most effective.

In a number of cases, I am sure that the rights-of-way of railway lines which will be abandoned have great potential as rapid transit or recreational areas. I am sure also that other railway lines would not be appropriate at all. In my opinion, many different groups should look into alternative uses for the rights-of-way of railway lines which will be abandoned. Mr. Speaker, I feel any organization would have difficulty dealing with all the groups which would like to buy these tracts of land made available through the suspension of railway service.

Think about who should have priority on the choice, who should get that land? Should it go to recreational agencies in rural municipalities, to service clubs? For example, one could think that an optimist club might want to acquire land, one could think about any organization except municipalities which would want to acquire land. I think it would be very difficult for the Authority, as is being suggested in this bill, to make a decision on applications that would be made. Its seems, Mr. Speaker, the advisory authority set up under this bill would be dealing with this problem but with no indication as to how it should weigh the various interests. Nothing provides for the participation of the provinces or municipalities in the decision-making process. Nor is there any list of criteria to assess the proposed uses. The bill does not even recognize that it might be necessary to treat railway lines differently whether they are located in town or in the country.

I wonder whether, instead of dealing in this bill with abandoned railway lines, it would not be more desirable or more useful to think about further improving the commuter train system even if for some reason railway companies should abandon certain routes. I think that in a bill like this we should rather be urging the railways to maintain the services they are now providing in terms of commuter trains. And I might also point out that many projects have been considered on the south shore of Montreal as well as in the area of Deux-Montagnes and the area of Valleyfield with respect to providing fast commuter trains. Among those projects, one went from the city of St. Hyacinthe, the riding I have the honour to represent in the House of Commons, and one which called upon the government to pay some $62 million, of course, under agreements with the government of the province of Quebec.

I quote a resolution from the city council of Mont-Saint-Hilaire asking the government of Quebec whether it intends to join the commuter trains with the public transit system of the Montreal area, second, asking for an immediate meeting between the provincial and federal departments concerned by that problem to discuss and solve as rapidly as possible the jurisdictional problem facing them; and third, asking the railway company to maintain commuter trains and to suspend or to defer the 50 per cent increase in its rates until such a meeting has taken place between the various levels of government.

Mr. Speaker, I shall deal a moment with the problems faced by towns and municipalities on the south shore in the suburbs of Montreal. Of course, there are dormitory towns such as Mont Saint-Bruno, Belœil, Mont Saint-Hilaire, Otterburn Park and I go as far as the town of Saint-Hyacinthe, with a population of close to 200,000, half of which must go to Montreal each morning and come back each evening, and where it has become almost unthinkable to go by normal ways, namely the road network, given the bridge system we have to cross over to Montreal island. I think it would be really time to establish a rapid transit system.

I listened recently to a report on the operations of the GO Transit train in the Toronto suburbs. In passing, the Quebec government and its transport minister should note that it would be a good idea for them to go and see what is going on in Toronto and the suburbs. It would be a good idea for them to send a team of experts to study the services available to those who want to travel to the Queen City. According to this report, the federal government does not subsidize the deficits of Toronto commuter trains. They are financed by the Ontario

government, and the system is so advanced that deficits have been virtually eliminated.

I believe that if the Quebec government went to the trouble of studying the system available to Toronto suburbanites, and since the federal government is always prepared to grant $60 or $62 million for such services, it would have every advantage in trying to instal such a system on existing lines instead of abandoning them and perhaps transferring them, as suggested in Bill C-221, to the responsibility of the province, the municipalities or non-profit organizations.

Mr. Speaker, as stated in this bill, the advisory board is not empowered to apply any of the decisions that it makes. It is also not empowered to take possession of land or to hand it over. I can only advise the government about railway matters, and it seems to me that ordinary citizens have other means to express their opinion besides this bill which I find ineffective. The provinces have the powers required to take over, by expropriation if need be, any line that they want to use as a transportation corridor. Under the authority of the municipal affairs department of each province, the municipalities can also expropriate if required.

According to our experience of line abandonment in the prairie provinces, we believe that in most cases, the best alternative would be to offer the land to the owner of the adjacent property. The procedure used is therefore generally to make the first offer to such people. However, to protect the public interest, provincial and municipal authorities hold priority if they have concrete projects for using railway rights-of-way. With regard to rights-of-way on Indian reserves, their priority interest is also considered. Maybe we will also have to decide to abandon railways lines but we must undertake studies before, as I said earlier, with a view to determining whether the province or railway companies with the support of the federal government could use those railways for rapid commuter trains.

In order to facilitate the transfer of land to the last landlords, the federal government has concluded an agreement with the railway companies for the transfer of most road beds which will be abandoned in the prairie provinces. So provincial committees have been set up to select the lines which local and provincial governments want and whose transfer they are prepared to facilitate. The federal government intends to transfer immediately the lands to the municipalities concerned or to the landowners of their choice. But on that point, Mr. Speaker, I strongly support the transfer to the Crown of all lands belonging to the federal government or to provincial governments. I believe that those lands should go back to the municipalities which are most able to use them and which best know the needs of their citizens and also the best ways to use those lands and those very old buildings. The proceeds of the sale of those lands will help compensate municipalities for any fiscal income they stand to lose.

• (1650)

Of course, municipalities have certainly lost tax revenues, and if we ever decided to use these buildings or railroads for other purposes, municipalities might then levy taxes on those buildings. The objects of that bill, Mr. Speaker, are perfectly in keeping with this approach to the issue. If a province considers that the site of a railroad might be used as a transportation corridor or for electric lines, it may submit a proposal to the special ad hoc provincial committee and be willing to pay a reasonable price for the land.

Likewise, groups interested to use abandoned road beds for recreative purposes can submit their proposal to the municipalities concerned. When two or more proposals are submitted for using the same road bed the municipality should have the last word. The residents directly concerned by the project will have a say in the decision through municipal representatives, rather than some remote organization in Ottawa. Mr. Speaker, we might also use organizations already in place like the union of municipaiities and the union of district councils. Those organizations might certainly study the use of those railroads or lands abandoned as a result of technological developments.

In conclusion, Mr. Speaker, again I wish to congratulate the hon. member for having presented this bill. Of course, we share his concerns as regards the problems he has raised. However, we approach them in a different way, and the government considers that the provisions of this bill will not really meet its objectives. It recommends what it considers the most efficient and sensible approach, the one I just mentioned. Mr. Speaker, this is about all I had to say concerning this bill, my remarks were very short, but I wanted to emphasize the importance of the implementation of a railway system that would be really efficient and really beneficial to the residents of the Saint-Hyacinthe riding, and all south shore.

Mr. Gaston Isabelle (Hull): Mr. Speaker, I rise to speak about Bill C-221 as I consider it an extremely interesting measure. I must thank its sponsor, the hon. member for Laprairie (Mr. Watson) as it deals to a certain extent with public transport. I fail to see why, in as modern a society as ours, which for years has been struggling with rapid transit problems, especially in densely and moderately populated cities, such means as are suggested in this bill cannot be used to improve the transit system. To my mind, that is extremely important. A few years ago, though I do not know much about transportation, I spent some time looking into the problem in urban areas. And in medicine, one often makes a rather quick diagnosis when a patient comes to the office.

I soon found out that transportation in our cities, whether it be Calgary, Vancouver, Toronto, Montreal or even Ottawa-Hull, is really sick. So, I shall prescribe one means of rapid public transit, a sort of monorail. A monorail of about a mile and a half should have been built, on a trial basis, in this area since this is the national capital; the Department of Transport

and the government are here; so money should have been available to those who wanted to carry out that project.

[*English*]

Mr. Blaker: Mr. Speaker, on a point of order—I am incorrectly advised. I apologize.

[*Translation*]

The Acting Speaker (Mr. Ethier): Order, please. The hon. member for Hull has the floor.

Mr. Isabelle: Mr. Speaker, this is a false alarm. As I said, the Canadian government, through its agencies, should have made money available to the promoters of rapid transit between downtown Hull and Ottawa. I remember at the time a number of experts, even international ones, came to the area to brief me on the development of such a system. The proposal was to use former CNR and CPR tracks, since they were already available, would entail no expropriation, but rather would allow experimenting on a new transit system. I am referring to the Safège system, the overhead monorail operating somewhat like an inverted Hovercraft. It is protected from the elements, very fast, very light and can move thousands of people every day for the cost of a single nickel or dime. But I cannot understand as I said that in an area like Canada's National Capital, the heart and soul of the whole Canadian nation, a few cents cannot be spent on experiments in public transit. Certainly, in Ottawa and Hull, the downtown areas in both cases are ideally suited for that type of transport. Indeed, mention was made of that possibility, back in 1968 I believe, but apparently no one in the Department of Transport did anything about it. I do not remember who was there at the time, all I know is that the suggestion was dropped. So I would like once more to commend the hon. member for Laprairie (Mr. Watson) for putting forward this bill to provide for the establishment of a commission to preserve abandoned railway lines in Canada. I feel they could be used in Canadian towns to do what I just referred to, rapid transit for medium to high density urban centres.

Mr. Prosper Boulanger (Mercier): Mr. Speaker, I regret I have only a few minutes left to speak to such an important bill, namely Bill C-221 introduced by my distinguished and hon. colleague for Laprairie who, in the process of drafting this bill, must certainly have carried out very extensive research and studies in order to come up with such a well substantiated and well explained bill. This is what leads me to draw your attention to the explanatory note.

Mr. Speaker, it is said that there is an increasing awareness in Canada of the potential for rapid transit or recreational use of abandoned railway lines or unused railway rights-of-way. As a matter of fact, in Montreal a few weeks ago, Mr. Speaker, we attended a meeting of the mayors of the municipalities of the Montreal area and the president of that organization, Mayor Jean Corbeil of the city of Anjou, was referring to the serious problems of public transportation and in particular railway transportation on the north and south shore into and out of Montreal, and also between Mirabel and Montreal. At that time, I recall the Minister of Justice (Mr. Lalonde) said that we had over $60 million set aside for the Montreal island municipalities to be used for upgrading the public transportation system. So the issue is not then the removal of rails but rather the improvement of the service, of the cars and transportation in general so that the fares will be lower. We had agreed, that is to say the government in the person of the Minister of Justice, to contribute up to an amount of—

The Acting Speaker (Mr. Ethier): Order, please. The hour provided for the consideration of private members' business has now expired. It being five o'clock, this House stands adjourned until Monday next, at 2 p.m., pursuant to Standing Order 2(1).

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

HOUSE OF COMMONS

Monday, March 19, 1979

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

ENVIRONMENTAL AFFAIRS

PROTECTION AGAINST OIL SPILL FROM TANKER "KURDISTAN"—MOTION UNDER S.O. 43

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I rise under the usual Standing Order respecting a matter of considerable urgency to the east coast of Canada.

The continuing presence of the stern section of the oil tanker *Kurdistan* off the Nova Scotia coast in the Gulf of St. Lawrence, coupled with continued delays in making final disposition plans, and in light of the apparent dangers posed by this continued delay in the final disposition process, I move, seconded by the hon. member for Esquimalt-Saanich (Mr. Munro):

That the responsible authorities take the earliest decision possible to resolve the situation either by removal from coastal areas for sinking purposes, or to arrange for its towing into a suitable and safe port for the discharge of the residual oil in the tanker.

Some hon. Members: Hear, hear!

Mr. Speaker: Under the provisions of Standing Order 43, the introduction of such a motion for debate requires unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ABORTION

PROTEST AGAINST REMOVAL OF ABORTION CLINIC FROM WINNIPEG—MOTION UNDER S.O. 43

Mr. Dean Whiteway (Selkirk): Mr. Speaker, I rise under the provisions of Standing Order 43. In consideration of the recent announcement by the Health Sciences Centre in Winnipeg that the abortion clinic will be moved to a separate location and operated by a private group for the expressed purposes of making a profit, I move, seconded by the hon. member for Lisgar (Mr. Murta):

That the Minister of Justice consult today with his provincial counterpart to discuss concrete proposals that would prevent an American interest from investing over $100,000 in an abortion clinic which, in effect, will offer abortions on demand. Such a clinic would be both a violation of the right to life and the Criminal Code of Canada.

Mr. Speaker: Under the provisions of Standing Order 43, such a motion can be presented for debate at this time only with unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

FINANCE

PROPOSED ADOPTION OF MEASURES TO ASSURE GUARANTEED ANNUAL INCOME TO ALL CANADIANS—MOTION UNDER S.O. 43

Mr. Richard Janelle (Lotbinière): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with an important matter of pressing necessity.

I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That the House direct the government to take immediately such measures as the establishment of the guaranteed annual income to provide the bare necessities to Canadians.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

REGIONAL ECONOMIC EXPANSION

CALL FOR NATIONAL INDUSTRIAL POLICY—MOTION UNDER S.O. 43

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, I rise under the provisions of Standing Order No. 43. As extreme disparities continue to exist in the Atlantic region, despite efforts of DREE, and 25 per cent of the personal income of New

Brunswickers is a direct result of transfer payments, I move, seconded by the hon. member for St. Boniface (Mr. Hare):

That this House instructs the government to co-operate with the provinces in the establishment of a national industrial policy.

Mr. Speaker: Such a motion can be presented at this time only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

AGRICULTURE

NEGOTIATIONS WITH UNITED STATES ON TARIFFS

Mr. John Wise (Elgin): Mr. Speaker, my question is directed to the Minister of Agriculture; it relates to the government's recent announcement on tariff changes. In light of the fact tariff reductions were instituted, to use the minister's words, "only after extremely complex negotiations with the United States", I want to ask the Minister of Agriculture, what reciprocal concessions has the government been able to obtain from our United States competitors?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the hon. member surely knows that there is a long list. I will send him a complete briefing on it so that he can understand in complete detail just what was done, because the Tariff Board recommendations are shown. It shows what the present tariffs are between our two countries; it shows the harmonization between our two countries; it shows the gains we made in respect of some of our products and some of the products they have in their country as well. It is a lengthy list, Mr. Speaker.

● (1410)

Mr. Wise: I have a supplementary question for the same minister, Mr. Speaker. I will be looking forward to that long list. I only hope, Mr. Speaker, that the Minister of Agriculture does not send it by Canada Post.

In view of the minister's recent statements to the horticultural seminar held recently in Ottawa, urging Canadians to drink Canadian apple juice and Canadian grape juice, why has he allowed the tariff on apple juice to be slashed by one-half, and why has he allowed the tariff on grape juice to be removed completely? Is this another example of the Minister of Agriculture saying one thing and taking one position, with his cabinet colleagues doing something the very opposite?

Mr. Whelan: Mr. Speaker, when the hon. member sees the document I talked about, he will learn also that this is beneficial to the Canadian producer because on many occasions we have had surplus grape products and we were unable to ship them to the United States. When the member says one-half, certainly he could be a little bit more liberal than that, in that I believe the amount he was talking about was one cent a quart on apple juice. The Canadian apple producers are well aware of this and well aware of the discussions. That is within the realm of the Tariff Board report also.

I am just saying this, that the hon. member seems to be trying to get the point across that this may not be beneficial to the Canadian horticultural industry. I cannot think of one delegate who understood the total package on tariff gains and tariff reductions who would not say that this is probably the most beneficial package to the Canadian horticultural industry ever presented on behalf of the Canadian horticultural industry, and I might say it is beneficial to this country too, Mr. Speaker.

Mr. Wise: Mr. Speaker, I will be waiting for the minister's written response to my second question. My final supplementary question is directed to the Minister of Agriculture.

In view of the very insignificant impact these reductions will have on the retail prices of fresh fruits and vegetables, does the minister not agree that the best way to lower food costs would be to lower farm input costs? Has the minister considered lowering the tariffs on imported agricultural commodities and chemicals, in view of the fact that with increases estimated as high as 30 per cent, the Canadian producer will have no protection whatsoever with regard to the 1979 crop season?

Mr. Whelan: Again, Mr. Speaker, I can show the hon. member a whole list in this regard. We have a review board, or a committee of producers, farmers and government people who investigate the prices of commodities. Many of the commodities here are quite reasonably priced. They have been subject to the nominal increases, in just the same as any other business in Canada.

We can show the hon. member that the costs in respect of many of the commodities that are volume items, such as the product to control wild oats, are much lower than they were last year. That cost is 10 per cent lower than it was last year, which I suggest is significant in these inflationary times.

SURTAX REQUESTED BY HORTICULTURAL INDUSTRY

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, I should like to direct my question to the Minister of Agriculture. Having regard to the negotiations that have been conducted both bilaterally and multilaterally, will the minister explain why the concession asked for by the horticultural industry, namely, the ability to add additional duties in times of emergency, was not negotiated successfully for the Canadian farmer and his production, which is often badly affected by the importation of unreasonably low-priced goods from countries all over the world? What became of the surtax they asked for?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, again we announced that the surtax was not finalized at this

time. We hope to have it finalized in the not too distant future. This is, again, a recommendation by the Tariff Board that we act in respect of the surcharge so that we can act immediately. Past history indicates that the system we have used is too slow. I agree with the hon. member in this regard. This is something we have to finalize with our trading partners.

Mr. McCain: Mr. Speaker, do we, or do we not, have the opportunity to charge surtax against unreasonably low-priced products brought into Canada in competition with our own food producers and processors? "Yes" or "No"?

Mr. Whelan: Mr. Speaker, we still have the same system. We are using the system we have always used but, as the hon. member knows—or, I am sure, should be aware—the recommendation was that the new system should be one that would allow us to react much quicker than we could under the old system. By the time we go through the procedures and give them 48 hours' notice, sometimes the damage is done. What they wanted was what the Tariff Board recommended, that we react immediately to that kind of dumping of that kind of product into Canada.

• (1415)

Mr. McCain: Mr. Speaker, one final supplementary. Were we, or were we not, successful in negotiating with our foreign trade partners the right, without expense to other commodities, to impose surtax on imports at unreasonably low prices into this country? "Yes" or "No"?

Mr. Whelan: Mr. Speaker, it seems strange to me, after the hon. member rambles on in his question, that he can expect a short "Yes" or "No" answer from me. The hon. member knows full well, and I know that he knows, the present system which we use with regard to using a surtax. We have not at this time been successful in negotiating a proper system of surtax, but we offer them more protection under the new system than they have ever had in the history of any government in this country.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

* * *

HEALTH AND WELFARE

FUNDING OF MEDICAL CARE PROGRAM

Mr. Bob Rae (Broadview): Mr. Speaker, my question is to the President of the Treasury Board. Given that the Established Programs Financing Act, which was passed by parliament with the support of the Liberal party and the Conservative party, limited the financial commitment of the federal government to medical care by restricting its contributions to the size of the gross national product, regardless of the increases in health care costs throughout the country, can the President of the Treasury Board tell us whether or not the federal government is now prepared to fund increases in the medicare program that are required to meet the concerns of the Minister of National Health and Welfare that the universal nature of our health care program is being eroded and that some provinces are not paying their doctors enough?

Hon. Judd Buchanan (President of the Treasury Board): Mr. Speaker, that question does not fall within the bailiwick of the President of the Treasury Board. It should have been directed to my colleague, the Minister of Finance.

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, this has been a long-standing problem. When medicare was introduced, it was understood that after a certain period of time the costs would be shared in a different fashion. When the new arrangement was negotiated, the formula that we proposed at that time was totally acceptable to the provinces and now they have to cope with the responsibility. The hon. member should make sure that the Ontario government maintains the principle of medicare which they agreed to support all along.

Mr. Rae: Mr. Speaker, again to the Minister of Finance. Seeing that the government is a partner in restraint with the provincial governments in this matter of medicare, could the Minister of Finance tell us what the legal authority of the Minister of National Health and Welfare was when she said that she would be cutting off funding under the Established Programs Financing Act?

Mr. Chrétien: Mr. Speaker, it is not the practice in this House to comment on legal opinions; I think the hon. member should know that. When we signed the agreement for the new formula, it was understood that medicare would be maintained in the spirit in which the program was established. Some of the provinces—by the way, most of the provinces which are getting out of medicare in this manner have Conservative governments—are not, in my judgment, respecting the spirit and the letter of the agreement.

An hon. Member: There is only one Liberal government.

GOVERNMENT ACTION TO MAINTAIN MEDICAL CARE PROGRAM

Mr. Bob Rae (Broadview): Mr. Speaker, my final supplementary question is to the Deputy Prime Minister. In the debate on the Established Programs Financing Act, the then minister of national health and welfare, now the Minister of Justice, said "these universal health insurance programs have become so deeply ingrained in the Canadian fabric that any retrograde step in the form of halting or even reducing these programs is absolutely unthinkable." In that same debate, the Prime Minister said that the elimination of an active federal role in medicare was "a gamble."

Now that the unthinkable has happened and the gamble has been lost at the expense of many Canadians, and this government has tied itself into a program which restricts its ability to administer the medicare program, can the Deputy Prime Minister tell us what he intends to do and what his government intends to do within its powers, granted the fact that it has

locked itself into a straitjacket, to protect the medicare program?

Hon. Allan J. MacEachen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Prime Minister, the Minister of Finance and the Minister of National Health and Welfare have already responded to questions on this subject.

● (1420)

As the hon. member knows, the understanding with respect to medicare was founded on cornerstones which were accepted, certainly, by the Parliament of Canada and by the provinces. It is still the view of the Government of Canada that those basic principles are still to be the essence of the medicare plan.

The hon. member asks what we are going to do about it, in the circumstances. The matter is one that is quite serious. Obviously, the government will have to consider in detail what steps it could take in order to ensure that these fundamental principles will be observed.

* * *

[*Translation*]

ENERGY

POSSIBILITY THAT EXXON SUPPLIED BIASED INFORMATION TO NATIONAL ENERGY BOARD

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources and Minister of State for Science and Technology.

The minister stated recently in the House that 90 per cent of the petroleum industry in Canada is under foreign control. In view of this assessment and the recent events involving Exxon which clearly indicated where the loyalty of these multinationals lies, could the minister assure the House that these corporations had not deliberately supplied biased information to the National Energy Board, information which served as a basis for its most recent report?

[*English*]

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, I wish that it were as low as 80 per cent. Unfortunately, the industry is controlled to a greater extent than 80 per cent by foreign corporations in this country.

As to the question the hon. member asks with respect to the information provided to the National Energy Board, I can assure him that the National Energy Board is very much aware of the concern he has expressed, the possibility that information could be slanted. That is the reason the National Energy Board exists, and they have experts who are competent to assess the information they are provided with from the point of view of the Canadian interest.

[Mr. Rae.]

[*Translation*]

Mr. Gauthier (Roberval): Mr. Speaker, I wish to direct a supplementary question to the minister. Could he explain to the House, without being unduly evasive, how he could be in favour of exporting our surplus of gas, as he was two weeks ago in the House, while knowing that we risk facing a shortage before 1992? Is this not a policy which would greatly benefit the multinationals at the expense of Canadians?

[*English*]

Mr. Gillespie: Mr. Speaker, I believe that the findings of the National Energy Board with respect to increases in gas reserves are, on the whole, probably conservative. That seems to be the view of many who have knowledge of the situation. I believe that by introducing two additional deliverability tests, the National Energy Board has protected Canada against any premature or excessive export of gas which has been found surplus to domestic needs.

I have also stated that I believe exportable surplus can be used for the benefit of Canada in making economically viable a gas pipeline and the movement of gas to eastern Canada and markets not now served by Canadian gas, and by so doing reduce our dependence on foreign oil.

* * *

LOTO CANADA

TICKET SALES IN DRAW NO. 12

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is for the Minister of State (Fitness and Amateur Sport) who is responsible for reporting to parliament on the activities of Loto Canada.

Could the minister confirm to the House that ticket sales in the present draw of Loto Canada, draw No. 12, are likely to be the lowest in its history, and that even if Loto Canada meets its target for draw No. 12, $20 million worth of tickets will remain unsold?

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I have the assurance of Loto Canada that it will meet its goal of 3.5 million tickets for draw No. 12.

Mr. Beatty: Mr. Speaker, the minister has confirmed that this will be the worst draw ever and that two million tickets, worth $20 million, will be returned unsold.

● (1425)

Last week, in an attempt to boost lagging sales of tickets for draw No. 12, Loto Canada signed a special arrangement with the merchandising giant, Miracle Mart, to deliver directly to Miracle Mart 5,000 tickets, worth $50,000, as a result bypassing Loto Canada's own wholesalers. I ask the minister why a decision was made to do this, in defiance of Loto Canada's own wholesalers, when the same arrangement is not available

to local, small retailers across Canada? Why has a special deal been given to this merchandising giant?

Mrs. Campagnolo: Mr. Speaker, I think the hon. member will feel, as I do, that that is a question for the corporation to answer. I will undertake to have them do so.

Mr. Beatty: Mr. Speaker, the minister is responsible to parliament for the activities of this corporation, and she cannot evade that responsibility. Is the minister aware of the fact that the special arrangement signed with Miracle Mart to deliver $50,000 worth of tickets to them in a special deal is very similar to an arrangement with the food industry which resulted in the Ontario government setting up a judicial inquiry into practices in the food industry in Canada? If so, can the minister indicate why it is that Loto Canada would go ahead with a measure which discriminates against small retailers and which clearly is detrimental to the best interests of consumers in Canada?

Mrs. Campagnolo: Mr. Speaker, as several members on this side have acquainted me with this matter today, I will be happy to ask the corporation to give the hon. member the same report that I give to them.

* * *

ENVIRONMENTAL AFFAIRS

PROTECTION AGAINST OIL SPILL FROM TANKER "KURDISTAN"

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I do not want to gamble, so my question will be for the Minister of the Environment: it concerns the oil pullution situation created by the *Kurdistan*. Could the minister advise the House—it has now been five days since the accident—whether or not a final decision has been taken in this respect? Will the ship be towed out to sea and sunk or, alternatively, will it be brought into port? If so, which port and when?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the final decision has not been taken. Some proposals are being put forward with regard to the vessel and these are being examined. Coastguard officials, in close conjunction with officials from the Department of the Environment, will look at any proposal before a final decision is made.

Mr. Forrestall: Mr. Speaker, I should remind the minister, who comes from the heartland of this country, the prairies, that the Gulf of St. Lawrence is not the most friendly stretch of water in the world. The longer he delays the decision, the greater the danger to the contiguous land mass.

Might I ask the minister, more directly, what is the nature and level of third party liability protection that his department would insist upon with respect to salvage operations? Have we set a dollar level, or do we have a clear understanding of what protection will be afforded with respect to third party liability?

Mr. Lang: Mr. Speaker, it is because we are so very conscious of the importance of the coastal areas and the fisheries concerned that we will take time to be sure that any proposal put forward will be examined and adjudged in the light of Canada's over-all interest.

The question of how to handle the stern portion of the vessel will involve, if it is a question of approaching the Canadian shoreline with it, an issue of potential liability. We are really concerned about the safety of the action more than the question of liability. However, the liability question is important in terms of the judgment by persons in charge of the salvage operations. That remains a part of the negotiations and discussions which are going on right now. On the other hand, the bow part of the vessel is being towed toward deeper portions of the ocean for disposal.

Mr. Forrestall: Mr. Speaker, in all honesty, we are getting nowhere with the Minister of Transport—perhaps he is not properly advised—so may I direct my question back to the Minister of State (Environment)? I understand he was in Nova Scotia over the weekend, taking a look at the situation. Can the minister give us his best guess as to where the missing 3,500 tons of oil are, and does it pose any environmental threat to our lobster and other ground fisheries?

● (1430)

Hon. Len Marchand (Minister of State (Environment)): Mr. Speaker, on the looks so far by my officials and officials of the Department of Transport, we have not been able to get a good handle on where the 3,500 tons of bunker C might be. There are a number of possibilities. If it was in a slick at some point, we feel we would have found it. A slick has been found in the last little while near the present location of the stern portion of the vessel, but it is a very small one.

The best indications we have as of now are that we do not foresee any environmental damage. Some of the guesses are that the bunker C that has escaped has possibly all been broken up and dissipated, or that it has sunk to the bottom of the ocean. As time goes on, we will be monitoring the situation. I will be pleased to give the hon. member any information I have as it becomes available.

PAYMENT OF DAMAGES FOR OIL POLLUTION

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I wonder whether the minister is considering amendments to existing legislation which would permit parties injured by offshore spills, such as lobster fishermen, to initiate legal action and obtain compensation for damage arising from oil pollution, or are Canadians going to have to wait until the damage is done on the shoreline?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, wherever there is a possibility of obtaining compensation for any damage done, obviously we will be zealous to pursue that. However, that obviously relates to establishing the facts of the law in relation to a specific instance.

Mr. Munro (Esquimalt-Saanich): It would seem the minister is satisfied with the law under which compensation for oil

pollution damage is sought by Canadians as injured parties. Is Canada prepared to take action under IMCO to ensure that pollution accidents such as that which occurred involving the *Kurdistan* recently are not repeated, and that offences committed within the 200-mile limit will be tried before Canadian courts and not left to courts of the flag?

Mr. Lang: Mr. Speaker, I think the hon. member knows that Canada has been in the forefront of discussions in IMCO to try to secure worldwide standards that are satisfactory. We will continue to do that. Of course, that will not necessarily avoid certain incidents from occurring. I think it would be wrong to prejudge the facts at this point in time.

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HEALTH AND WELFARE

REDUCED INSURANCE PREMIUMS FOR NON-SMOKERS—GOVERNMENT POSITION

Mr. B. Keith Penner (Thunder Bay): Mr. Speaker, I have a question for the minister of state responsible for fitness and amateur sport. In light of a recent study which was carried out in the United States revealing that the accident rate for non-smoking drivers is half that of smokers and, further, that some U.S. insurance companies are now offering discounts on life insurance premiums to non-smokers who exercise regularly, what steps or studies has the minister taken or what action will she take to persuade the Canadian insurance industry that this low-risk group should get some special consideration on their automobile and life insurance premiums?

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, perhaps this is a good time to inform the House of the divisions of lifestyle between my ministry and that of the Minister of National Health and Welfare. The Minister of National Health and Welfare has responsibility for such matters as nutrition, alcohol, drug abuse, tobacco abuse and obesity. In my department, we have responsibility for fitness. Therefore, we have the one positive in the lifestyle area.

The best thing that has been done in my department's operation is to inspire people, through Participaction, to a healthier lifestyle. That has been done at very little cost to the Canadian people. I take this opportunity to commend them. At $500,000 a year there is $8 million in return from the public media of this country which is free of charge. I believe statistics show that Canadians are improving enormously in fitness. The hon. member's question has given me a chance to say that Canadians are now becoming fit.

[Mr. Munro (Esquimalt-Saanich).]

FINANCE

RATE OF BANKRUPTCIES VIS-À-VIS UNITED STATES

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I would like to address a question to the Minister of Finance. The reputable firm of Dun and Bradstreet of New York recorded 7,919 commercial failures in 1977. In Canada, in 1978, however, the rate of such failures amounted to close to 6,000. On a month to month basis, Canada suffered from 458 bankruptcies last month, compared to 559 in February, 1978, in the U.S. With heavily disproportionate scales of economies, the rate of business failures seems to be the same. This is regrettable, though it is a correct reflection of the policies of economic mismanagement pursued by the government.

Does the Minister of Finance have any explanation for this alarming and dismal rate of business bankruptcies in Canada, and what action does he plan to take to reverse this disastrous trend?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, that is part of the gloom and doom approach to the problem. In a market economy there are some people who try and do not succeed. In Canada, the rate of tax for small businesses is much lower than it is in the United States. I suggest the hon. member look at the document I tabled the night of the budget, November 16. Despite the fact that many more social services are available to citizens of Canada, the rate of tax for both citizens and corporations is not higher than in the United States.

Mr. Darling: In the absence of the Minister of Industry, Trade and Commerce, I will direct my question to the same minister. Of the business failures indicated in my earlier question, the manufacturing component in the February total of 1978 represented 4 per cent, compared to the present 11 per cent in February, 1979.

Considering the importance of manufacturing in our economy, and taking note that failures in the manufacturing sector are taking place at an increasing rate, what assurances can the minister advance to instil some form of confidence in our manufacturing sector, and can he now take concrete steps to stimulate investment in this vital sector of our economy?

Mr. Chrétien: Mr. Speaker, the hon. member has not looked at the situation. For example, two weeks ago Statistics Canada released the fact that the rate of utilization of the capacity of production in Canada increased to almost 90 per cent in the last quarter of 1978, the highest since 1973. In addition, in the last 12 months the manufacturing sector of the Canadian economy created 159,000 new jobs in that sector alone, a record over previous years. The hon. member does not want to look at the positive aspects of the Canadian economy.

DEVALUED CANADIAN DOLLAR—PRICE OF TEXTILES

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is to the Minister of Finance: it concerns prices as they relate to the falling Canadian dollar.

On Friday, the Minister of National Revenue said that he was investigating the charge made by clothing manufacturers that textile companies were taking advantage of the falling Canadian dollar to increase the price of their materials so that they are competitive with foreign prices and foreign textile manufacturers. I ask whether this inquiry is now complete. If it is complete, what are the results and what is the government going to do to make sure that domestic firms are not taking advantage of the low Canadian dollar to increase their products to the level of prices of their foreign competitors?

[*Translation*]

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, of course the question was put Friday. The hon. member must know whether or not the inquiry has been completed. To my mind, he is exaggerating somewhat. We are very efficient but not quite that much.

I should like to tell the hon. member that, naturally, if the situation is indeed what the hon. member says, I should be very sorry indeed because in the fall of 1976 we imposed quotas in Canada to give a chance to the textile industry to recapture that part of the Canadian market it lost to importers in years past. Now that they have the benefit of the devalued Canadian dollar, I hope they will not waste that opportunity of taking advantage of the situation by, instead of increasing their prices, taking over an even larger share of the Canadian market, increasing their investments and creating more jobs in Canada.

[*English*]

Mr. Nystrom: It is also my understanding that the Department of Finance has launched a similar investigation into lumber prices in this country, in view of the fact there are some charges that lumber prices here are being tailored to competition from abroad or the export price. We have also been told that Dow Chemical and Uniroyal Chemical are going to increase the wholesale price of herbicides by about 15 per cent, again because of the export price. Can the minister confirm whether there are investigations into lumber prices and chemical prices? If, indeed, they do find that these companies are taking advantage of the falling Canadian dollar, what kind of action is the government contemplating to make sure those prices are rolled back?

● (1440)

Mr. Chrétien: Mr. Speaker, we do not have the intention of controlling prices in Canada. I have said on many occasions since I became Minister of Finance in 1977 that we must move away from a controlled economy, get back to a market economy and let market forces operate. But I do hope people will not abuse the fact that we have a more competitive dollar which has opened up more opportunities for Canadians.

Oral Questions

CONSUMER AFFAIRS

ADVERTISEMENTS RESPECTING CREATION OF WESTERN ARM OF CTC

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I had intended to direct my question to the Minister of Consumer and Corporate Affairs, but in his absence perhaps I might direct it to the acting minister. It arises from the full-page advertisements on grain transportation placed by Transport Canada and being carried in western newspapers. I presume this is an attempt to bolster the image of the Minister of Transport. The advertisements make a great issue of the creation of the western arm of the Canadian Transport Commission. They give the impression that the western arm of the CTC can almost perform miracles in preserving branch lines scheduled for abandonment by the minister's own selected Prairie Rail Action Committee.

Could the minister investigate these blatantly misleading advertisements? I ask this because today, on contacting the information department of the Canadian Transport Commission and requesting an address and a telephone number for the western arm of the Canadian Transport Commission, I was informed that they had never heard of that institution; the only thing they knew was what they read in the newspapers.

Hon. Len Marchand (Acting Minister of Consumer and Corporate Affairs): Mr. Speaker, I shall be pleased to direct the hon. member's question to the attention of the Minister of Consumer and Corporate Affairs later today. He will be back in the House tomorrow. Judging from the content of the question, though, perhaps the hon. member should direct it to the Minister of Transport who, I am sure, can explain the situation to the satisfaction of the hon. member and of the House.

Mr. Mazankowski: Mr. Speaker, perhaps the reason we are not directing questions to the Minister of Transport is that we are fed up with his non-answers.

Some hon. Members: Hear, hear!

Mr. Mazankowski: However, since the Minister of Transport is so willing to reply, may I ask him how much of the taxpayers' money he has authorized to make possible this exercise in blatant political partisanship?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I will be delighted to give the hon. member the exact figure—I do not have it with me today. I hope he will understand that when farmers and communities are as concerned as they naturally are about the process of making application in connection with the abandonment of branch lines it is important they should have a clear understanding of that process and the way in which they can make their views known to the CTC. In my view it is very desirable this information should be brought to their attention in every possible way.

Mr. Mazankowski: What is the phone number and the address of the western arm of the CTC?

Mr. Lang: The hon. member asks what is the phone number. He should know that we have just announced the creation of this western arm.

Some hon. Members: Oh, oh!

Mr. Lang: He might also be interested to know that the western farmers and municipal representatives with whom I have met in the last few days are delighted at the prospect of this western arm being set up in Saskatoon, and delighted it is the western arm which will be conducting most of the hearings with respect to these applications. It will be located as quickly as we can find the space in which to house it. It is true, of course, that as a result of the booming economy in western Canada it is not always easy to find office space these days.

Mr. Jack Murta (Lisgar): Mr. Speaker, a supplementary to the Deputy Prime Minister. The reply just given by the Minister of Transport is nothing but a joke. I do not think farmers in western Canada or, for that matter, anybody in western Canada, are going to believe a word of what he says.

Will the Deputy Prime Minister investigate these misleading and slanted, political articles which have appeared in western newspapers to determine whether they ought not more properly to be paid for by the Liberal party rather than by the taxpayers through the Department of Transport?

Hon. Allan J. MacEachen (Deputy Prime Minister and President of Privy Council): Mr. Speaker, there are others in the House more capable of investigating politics than I am.

Some hon. Members: Oh, oh!

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POST OFFICE

RURAL MAIL DELIVERY SERVICE

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Postmaster General. Now that the hon. gentleman, on the eve of an election, has capitulated to complaints from all parts of Canada over the deterioration of mail service in urban centres resulting from the freeze on door-to-door delivery, will he respond positively to the long-standing complaints about the freeze on rural mail delivery contracts which has existed since 1974 and has resulted in serious deterioration in rural mail delivery service in all parts of the country?

Hon. J. Gilles Lamontagne (Postmaster General): Mr. Speaker, I do not think I have capitulated. I simply listen to the people and do whatever gives them better service. That is why I have decided, along with my colleagues in the cabinet, to give home delivery to most areas where there is such a disparity in the service. I think this was a good move, and I hope some members of the opposition who have been writing to me and complaining about it are happy because this is a government which does not promise, but acts.

[Mr. Mazankowski.]

As far as the question about the $10,000 limit on rural letter carriers is concerned, this is a very difficult subject and I shall explain why. The Post Office is the only service which has authority to award a $10,000 contract without public tender. We have increased from time to time the value of the contract to reach $10,000 within the limits permitted by the Post Office Act. When the amount goes above $10,000, we are obliged to go to public tender. That is the law.

The hon. member asks me why we do not change the act. We intend to discuss this matter when the Post Office Act comes up for review. But I would like to ask him this: to what limits should we go without calling for public tenders? Should it be $15,000? Should it be $30,000? I imagine we would then be getting complaints perhaps from people in his own riding that they do not have occasion to take part in the tendering process. Such extension of the limit might be unjust to those who wanted to obtain contracts and wanted to put forward public tenders. This is a matter we shall have to discuss in committee or when the Post Office Act is amended.

Mr. Dinsdale: Mr. Speaker, successive postmasters general have undertaken to resolve this rapid deterioration in rural service, but the excuse for not doing so—as in the case of the letter carrier freeze—has always been lack of sufficient funds. Now that funds have been made available for restoring service to citizens in urban areas, would the Postmaster General not agree to delay costly implementation of the metric system in the Post Office, commonly known as metric madness, so that funds could be made available to provide for the fair compensation of rural mail carriers?

Mr. Lamontagne: Mr. Speaker, every time the hon. member asks questions it is really depressing, because they are always about deteriorating services. He has been in the House for a long time. I know it has been depressing for him to be on that side for so long, but I would ask him to be more optimistic, more objective. A lot of good work is being done in the Post Office. We are moving ahead against competition and even against depressing remarks from the opposition. I will be able to give the hon. member an answer to his question tomorrow when we go into the transport committee.

● (1450)

REQUEST FOR INCREASED SERVICE IN WESTERN CANADA

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is directed to the same minister. In view of the increased service by the letter carriers, is there any guarantee that the faster growing areas in western Canada will receive their proportionate share of increased service?

Hon. J. Gilles Lamontagne (Postmaster General): Mr. Speaker, this is proof of the fact that it is not only because of the reactions that we change the policy of the Post Office. I would say that, perhaps more than the Liberal members, the Conservatives would profit by this move, considering this is a very fair government which gives to all Canadians the service they deserve, even in Conservative areas. I can tell the hon. member that western areas such as Edmonton, Saskatoon and

Calgary will get as good a service. Toronto, too, will be an area where that service is very much needed.

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HEALTH AND WELFARE

PACKAGING OF MEDICINES IN CHILD-RESISTANT CONTAINERS

Mr. F. A. Philbrook (Halton): Mr. Speaker, my question is for the Minister of National Health and Welfare. Considering the dramatic results achieved in recent years in reducing cases of ASA poisoning in children, including no deaths in the last four years, thanks to voluntary action by manufacturers, will the minister soon be making an announcement requiring that at least one size of certain medicines be in child-resistant packaging and that there will be enough flexibility in this regulation to provide for regular, convenient containers for those who need them, such as the elderly, those with seeing problems, arthritis and other handicaps?

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, I intend to continue the procedure of consultation regarding child-resistant containers in the way in which the hon. member described it, keeping in mind the problems of people suffering from arthritis or other physical handicaps. If I remember correctly, the plan of action was proposed and published for the first time in the *Canada Gazette*, but my second publication is not yet ready.

FUNDING OF MEDICAL CARE PROGRAM

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have a question for the Minister of National Health and Welfare, and in putting it to her I am returning to one of the most serious issues facing Canada today, namely, the possible erosion of the provisions of the medicare act.

In view of the fact that contributions which the federal government may wish to make to the provinces for medical care are limited by the provisions of the Established Programs Financing Act, which puts the contributions on a gross national product basis rather than on the basis of the actual cost of medical care, will the minister, in addition to the information that she is collecting and in addition to the appeals she is making to her colleagues in the provinces, discuss with her colleagues in cabinet the possibility of amending the Established Programs Financing Act or taking any other steps that will enable the federal government to make sure that the medical care program is saved?

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, if the question implies that under the new block funding legislation the provinces are not receiving sufficient funds for health costs to offer adequate fee schedules to their doctors and comply with the basic conditions of medicare in Canada, I assure the hon. member that such is not the case. Ontario, for instance, received a 13.7 per cent increase in 1979-80 over 1978-79 under the legislation referred to by the hon. member. Manitoba, his own province, got an increase of 14.4 per cent, a higher percentage rate of increase than some other provinces.

If, on the other hand, the hon. member is attempting to make me say, as his colleague from Broadview (Mr. Rae) suggested a bit earlier, that we cannot control medicare payments, I can only disagree with him, since the established programs legislation remains subject to the provisions of the 1968-69 medicare act, and in particular to section 7.

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I was trying very carefully to put my question in a way that did not call for confrontation but rather on the basis that all of us share, which is that the Medical Care Act is one of the most important programs we have in Canada.

In view of the seriousness of the situation and of arguments and discussions on both sides, will the minister take up with the Prime Minister the possibility of there being held a federal-provincial conference of the ministers concerned so that this matter can be thoroughly gone into and the Medical Care Act can be saved before it is eroded any further, no matter who is to blame?

Miss Bégin: Mr. Speaker, I will take this question as a representation. A conference could be the best tool whenever we are ready to discuss the matter with the provinces and to make known the concrete guidelines defining acceptable universality, accessibility, and so on.

Mr. Knowles (Winnipeg North Centre): The time is now.

DOCTORS OPTING OUT OF MEDICAL CARE PROGRAM

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Minister of National Health and Welfare. In view of the minister's concern over the number of physicians opting out of medical care and the possible erosion of the universality principle, and in view of the fact that the widely accepted principle of opting out by provincial Conservative, Liberal, NDP and Social Credit jurisdictions—particularly the NDP in Saskatchewan, one of the most liberal—does the minister consider that this long-standing opting out principle should be terminated or restricted?

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, I said earlier, and now I would like to remind the hon. member, that I have tried to prevent undue escalation of that problem—in this House or outside the lobby. I have said that we are defining guidelines which would translate into concrete definitions of the cornerstones of medical care in Canada. I have no opinion to express at this point on the cancelling of the opting-out formula which, if I am not mistaken, was also quite important in the negotiations throughout the decade that led to universal medical care in the country.

Oral Questions

YOUNG CANADA WORKS

METHOD USED TO DELIVER APPLICATIONS FOR GRANTS

Mr. Ron Huntington (Capilano): My question is directed to the Minister of Employment and Immigration. The applications for Young Canada Works grants were delivered to the 11 members of the minister's advisory board in the riding of Capilano by courier, at a cost of $7.50. For the Capilano riding alone, this is a cost of $82.50 over and above the minister's frank or the official government envelope. If this were repeated in other ridings in Canada, the cost would be about $22,000.

I should like to ask the minister if this use of the expensive courier service in a period of restraint is an official departmental condemnation of the Canadian postal system.

Hon. Bud Cullen (Minister of Employment and Immigration): Mr. Speaker, my answer to the latter question is no; I think we have one of the finest postal systems in the world.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

An hon. Member: Then why don't you use it?

Mr. Cullen: I guess we could fill this room with letters about mail delivered on time, but hon. members opposite are always ready to criticize the postal workers and the outside workers. They refer to "kangaroo courts" when they conduct their in-house operations. I do not think that does the postal service much good. If the hon. member had really been interested in an answer, he could have given me notice of his question and I would have checked it out. However, I will do so.

Mr. Huntington: The only thing you can fill this room with is letters of complaint which all hon. members in this room get about the condition of the postal service.

Some hon. Members: Hear, hear!

Mr. Huntington: For the minister and his department to be spending $7.50 to deliver these brown, government envelopes does not require prepared notice of the question: all it needs is an answer—

Some hon. Members: Order.

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NATIONAL SECURITY

INVESTIGATIONS BY SECURITY SERVICE

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is for the Solicitor General, who is aware that on Friday the Deputy Prime Minister was unable to answer this particular question accurately. In 1969, the government delivered a mandate to our security service to conduct certain investigations into groups that might support or advocate separatism. The following year, in 1970, the government received a 23-page report identifying by name those groups and a description of their activities, including the Parti Québécois.

[Miss Bégin.]

● (1500)

Having given that mandate, having received the report, and knowing the continuation of the investigation was foremost in the minds of the security service, did no predecessor of the minister or any other minister, including a justice minister, a prime minister or a member of the cabinet committee on security and intelligence ever ask, in the period subsequent to 1970, what methods and procedures were being used by the security service to fulfil the mandate the government had given it?

[*Translation*]

Hon. J.-J. Blais (Solicitor General): Mr. Speaker, I had the opportunity to read the question asked by the hon. member and the answer given by the Deputy Prime Minister and President of the Privy Council. I have nothing to add to what was said except that some of the conclusions drawn by the hon. member, which are reflected in the preamble of his question, obviously demonstrate the accuracy of the answer by the President of the Privy Council, namely that we should not jump to conclusions before the proceedings of the McDonald commission are over.

[*English*]

Mr. Jarvis: Mr. Speaker, again my question is directed to the Solicitor General. I have read the answer of the Deputy Prime Minister, who said no investigation was ordered into a political party. That was not the question at all. The question was that the government had ordered an investigation into various groups and their activities respecting certain political activities, not political parties. A political party happened to be one of the objects of surveillance.

Is the minister saying that the terms of reference of the McDonald commission are so encompassing as to exclude from the House of Commons its right to judge ministerial competence and responsibility and, specifically, that of previous solicitors general? Is that the position of the minister?

Mr. Blais: Of course not, Mr. Speaker.

Mr. Speaker: Order, please. I have a notice from the hon. member for Cochrane (Mr. Stewart), but there is an outstanding matter of order from Friday in respect of the right hon. member for Prince Albert (Mr. Diefenbaker).

* * *

PRIVILEGE

MR. DIEFENBAKER—ALLEGED OMISSION FROM "HANSARD" OF STANDING ORDER 43 MOTION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I discussed this matter fully with Your Honour this morning, and I will review something of what actually took place. I moved a motion on March 7 commending what was being

done by President Carter in his courageous initiative in going personally to Egypt and Israel in his continuing endeavour to bring about peace. So that my motion would receive the unanimous support of the House, I called up the Secretary of State for External Affairs (Mr. Jamieson), who has done exceptionally well in that position. I am one who knows something about the difficulties of the position. I read to him what motion I had in mind. He said that he did not think he could second it. I had not asked him to, but I would have welcomed it.

I made the motion, or at least generalized what the motion would be. Mr. Speaker asked the House whether it would accept it, and it did. Then before I had the opportunity of saying in the regular course that I move, seconded by whoever it was, Mr. Speaker said that it was moved by me and seconded by the Secretary of State for External Affairs, who apparently bowed his head when the question arose as to who was seconding the motion. Your Honour accepted that, as naturally you would. However, being concerned on the basis of what the minister had said, that he could not second my motion because of international responsibilities—and I can understand that—I knew there was a change in that regard. By the time the House met ten minutes later, he indicated to Your Honour by his motion of the head that he seconded it. I was concerned about that because I felt he would be embarrassed by having been placed in the position of doing that, which he advised me or informed me he would have difficulty doing within the ambit of his position. I immediately rose and said I should point out that I moved the motion and it was seconded by the hon. member for Vegreville (Mr. Mazankowski).

When the blues came out that afternoon, and as soon as I noticed that there was no reference to what I had said in this regard, I pencilled the blues. I underline the fact that I have not seen them since, but no doubt Your Honour has seen them. But a mistake had been made because this motion of mine did not appear in *Hansard*. Time goes on and nothing whatever is done to clarify a situation which could have been explained very clearly and succinctly, as it was by Your Honour this morning in our discussion.

I betray no uncertainty in my stand when I say that through the years I have had the views of various Speakers. In 1957, when I became prime minister, I endeavoured to bring about the achievement of a Speaker who would be dissociated totally from any political party. I suggested to the hon. member for Winnipeg North Centre (Mr. Knowles) that if he would permit me to nominate him, I was sure it would be acceptable, but he decided otherwise.

As to yourself, sir, I have no hesitation in repeating what I have said on two occasions out of the House and publicly two or three months ago, that Your Honour has discharged your responsibilities as Speaker in so acceptable a manner that I hoped Your Honour could be induced to become the permanent Speaker. Now, that was my attitude and it is unchanged.

Having had no word at all concerning the reason my motion did not appear in *Hansard*—and in particular I emphasize that in the blues I set out the exact wording—I could conclude only that something had taken place which would not be in keeping with parliamentary tradition as I understand it. Now, I claim always to be right and sometimes wrong, but never on the side of wrongness. When there was nothing said about this and no answer given by anyone to the wording clearly set out in the blues, naturally I wondered what had happened.

I raised this matter on Friday in the course of dealing with some matters which concern me very deeply, the erosion of parliament. It is no longer the institution as I have known it through the years, with its ups and downs. But, sir, what has been happening in the last few months is that questions remain unanswered and questions run over a period of months simply because ministers of the government realize that if they answer those questions it will not put the government in good light. I have put two or three questions on the order paper, and I am not going to refer to them again. Then, sir, I raised this question.

● (1510)

If I had had the very comprehensive answer which you gave me this morning at any time in that period of nine days, there would have been no reference to this matter. If anyone who interprets what I said as in any way unjust to you, I can only say I never had such a probability or possibility in mind.

I love this institution of parliament, and when I see it being derogated from day after day, and ridiculed, I begin to wonder. The last few days have been an example. I was not present when the Prime Minister (Mr. Trudeau) allegedly made this statement, but on Saturday night—and by that time I had gone home because at my age one does not stay out until 1.30 in the morning—a report came over the radio that he had said that the House would be dissolved. Well, now, either he meant that or he was kidding the Canadian people. Sir, I mentioned parliament. There is no more lonesome position for anyone to occupy than being the only living former prime minister of Canada, but on the basis of things like that people across the country are beginning to point out to me that I will have company.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I have no hesitation in saying that there was nothing said in derogation of yourself. That stand I take. There is no other stand I could take when I did not have any word for seven, eight or nine days, having pointed out that there was no reference to this motion of mine. I made it here from my seat. It was heard and it was known of. It did not appear in *Hansard*. Why, it is not for me to say. Whatever takes place of that kind in the House of Commons must appear in *Hansard*.

I can understand the incongruity of the position, a motion having been passed and bringing in the Secretary of State for External Affairs as the seconder. I, foolishly, decided I did not want to embarrass him and that is why I immediately announced that it was moved by me and seconded by my hon. friend, the hon. member for Vegreville. Anyone who interprets

what I said as any derogation of yourself is simply not stating the facts.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I welcome very much the intervention of the right hon. member now as I welcomed the extensive conversation we had about this question this morning. I say it is typical of him that when differences have arisen there has always been this avenue of direct conversation about them. I think that stands the institution of parliament in the best of stead.

In the circumstances, the right hon. member and I did discuss the facts that he has referred to in respect of his motion. I remember the events very well.He had made a preamble in reference to his earlier conversation on that day with the Secretary of State for External Affairs (Mr. Jamieson), and he introduced the motion in that way. When he introduced the motion he did not at the time indicate a seconder. I looked in the direction of the Secretary of State for External Affairs, which was, of course, entirely a voluntary movement on my part. Obviously I had no advance notice of the motion by the very nature of it. The Secretary of State for External Affairs perhaps felt put upon in the circumstances to nod in the affirmative, which he did, and I therefore announced that he was the seconder of the motion. That was, as I say, an action entirely of mine because the right hon. member did not mention a seconder at that time.

After the question was accepted by the House, put and carried, the right hon. member did, indeed, get to his feet to indicate that the seconder he had in mind was the hon. member for Vegreville (Mr. Mazankowski). However, at that point I had moved to the next person who was in the House ready to make an application and, therefore, the right hon. member's later intervention became a non-proceeding and was not in fact recorded in *Hansard*. Even now going back over it, I do not know in what way it could. However, it does point out a serious dilemma in that there are events of this sort, and unless given some formal recognition by the Chair they cannot be inscribed in *Hansard*. That is a very delicate situation.

I think the right hon. member has very fully explained that both he and the Chair were caught in a situation in the circumstances, which can happen in the quickness of the moment, particularly during the putting of these motions under Standing Order 43. I am pleased, as I am sure the House is, that the matter is entirely resolved.

MR. STEWART (COCHRANE)—STATEMENTS MADE BY HON. MEMBERS FOR THUNDER BAY AND TIMMINS CONCERNING REPRESENTATION OF CONSTITUENTS

Mr. Ralph Stewart (Cochrane): Mr. Speaker, it pains me to have to present this question of privilege today because it arises out of remarks made publicly and on television by two colleagues of this House. The matter goes, in my view, to the very heart of our representative democracy in parliament, and it questions the ability of a member of this House to represent his constituency based on his party affiliation.

The crux of the matter is that the hon. member for Timmins (Mr. Roy) and the hon. member for Thunder Bay (Mr. Penner) have advised my constituents in the riding of Cochrane publicly that since I changed my caucus affiliation I can no longer represent them properly here. Furthermore, the population in the northern part of the riding was instructed that representations should be made to the hon. member for Thunder Bay, and the population in the southern part of the riding was instructed to address their problems and so on to the hon. member for Timmins.

Some hon. Members: Shame!

Mr. Stewart (Cochrane): Both those hon. members have now alleged they now have responsibility for the Cochrane riding.

This has served to confuse my people further. First, the redistribution of ridings had confused many of the people. This was complicated further by the postponement of the election. Finally, when I crossed the floor of this House and indicated my intention to continue representing the people of Cochrane constituency in the future, they at least knew then where matters stood. But immediately thereafter, when my two northern colleagues chose to make their statements, one can imagine the kind of confusion that was created in the minds of my constituents.

The danger of the remarks made is in the fact that they question the value of our system of government. According to these gentlemen, if followed logically, all the members sitting to the left of Your Honour represent no one. In other words, caucus affiliation alone would determine whether or not an MP represents his constituents.

On many occasions I have pointed out to my people that I did not believe in partisan politics once an election campaign is over, but rather that, once elected, I represent all my constituents whether they happen to be Liberal, Conservative, NDP, Social Credit or of no political affiliation.

Some hon. Members: Hear, hear!

Mr. Stewart (Cochrane): I believe that is of the essence of our democratic system. The hon. member for Timmins was not elected by anyone in Cochrane riding, nor was the hon. member for Thunder Bay. I am their sole representative and I will continue to be until the next election and hopefully for many years to come. Neither of these gentlemen should be too concerned with the way the constituents in Cochrane will be looked after and represented, because for 11 years they have been quite happy with the service they have received from me. I do not need any help from them.

My argument is reinforced by precedents. I should like to cite a quotation from May's Nineteenth Edition at page 151 as follows:

Conduct not amounting to a direct attempt to influence a Member in the discharge of his duties, but having a tendency to impair his independence in the future performance of his duty, will also be treated as a breach of privilege.

● (1520)

Further concerning the nature and consequences of my actions, in Beauchesne's fourth edition, Citation 111(l) reads:

Wilful misrepresentation of the proceedings of members is an offence of the same character as a libel.

Not only were the statements referred to contemptuous of me personally, but they are even more contemptuous of parliament because they first of all cast disrepute on the House as a whole by implying that only those elected on the government side can represent their constituencies.

Mr. Speaker: Order.

Mr. Stewart (Cochrane): Secondly, they attempt to obstruct me in my duties as a member of parliament.

Mr. Speaker: Order, please. The hon. member for Cochrane (Mr. Stewart) has referred several times to statements made by other members of the House, but to this point I do not have any such statements before me. It would be helpful if I could have such statements so that I could better judge the question of privilege.

Mr. Stewart (Cochrane): Mr. Speaker, I have given the essence of the statements. The statements were made on more than one occasion and particularly on television. They are a matter of record. They were to the effect that from now on the two members in question would be looking after and having the obligation to look after the matters of my constituents, and that the hon. member for Cochrane would no longer be looking after their affairs. That essentially is the matter.

In order to complete my remarks and, indeed, if you judge, Mr. Speaker, that this is a question of privilege, I would like to place on the record a motion. The essence of my argument is that not only are my privileges affected here, but also the privileges of any member who does not happen to have an affiliation with the caucus of the government party. I have cited two citations which I think reinforce that argument. If it is found that there is a prima facie case of privilege, I would therefore move, seconded by the hon. member for Calgary Centre (Mr. Andre):

That the attempts by the hon. member for Thunder Bay and the hon. member for Timmins to interfere with the duty of the hon. member for Cochrane to represent and act for the people of his constituency be referred to the Standing Committee on Privileges and Elections.

Mr. Speaker: I am prepared to see the hon. member for Thunder Bay (Mr. Penner), but I do hope that the point which I just made is appreciated by the hon. member for Cochrane. He has in the circumstances made reference to certain statements, and in order to judge, since those statements form the very basis of the hon. member's question of privilege, the Chair cannot be left in the position of relying on an interpretation of the statements. I would have to have something in the nature of a precise example or reference before I could begin to judge. I do not know whether I can come to a conclusion or not, but this fact certainly leaves me in very great difficulty.

Mr. B. Keith Penner (Thunder Bay): Mr. Speaker, at the very outset, what you have indicated to the House is the point that I intended to make. The hon. member for Cochrane (Mr. Stewart) has entered this House with these scurrilous charges based on nothing more than hearsay, and they are not substantiated with any kind of written record or tapes.

Mr. Andre: Are you denying them?

Mr. Penner: You, Mr. Speaker, must obviously look at what he has to offer to make the matter something much more than mere hearsay.

Let me now deal with what the hon. member has said. First of all, I can understand why he is so very sensitive. Naturally, any member of parliament with a record of service as poor as this member's would certainly be sensitive.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Penner: The hon. member enters this House—

Mr. Nystrom: Seldom.

Mr. Penner: —telling us that the constituents of Cochrane have a right to be served by him and by him alone. Any constituent in Canada, no matter where he or she lives, if not adequately served because the member of parliament is unavailable or because the member is in some other part of the world when he ought to be in his own riding or here in the House of Commons, has the natural right to turn to some other hon. member, such as the member for Timmins (Mr. Roy) or the hon. member for Thunder Bay, to get the service to which he has a right as a Canadian citizen.

Some hon. Members: Hear, hear!

Mr. Penner: As I indicated to you, Mr. Speaker, these comments by the hon. member are not worthy of extensive comment because they are unsubstantiated and totally wrong. Now that the hon. member has decided to leave the party of which he was a member—and he went out to the satisfaction of all members on this side of the House—the constituents of Cochrane know that if they want someone who is on the government side to provide effective action, they can come to a government member, and that is myself or the hon. member for Timmins.

Some hon. Members: Hear, hear!

Mr. Alexander: That is a lot of baloney.

Mr. Penner: I conclude by saying, Mr. Speaker, that I hope you will use your authority at the earliest possible moment to collect all the evidence that the hon. member for Cochrane believes he has. I would be delighted to appear before any committee of this House to talk about the things which he

claims I have said. I think that the whole matter should be aired. I would welcome it, and when it is I think that the hon. member who made those charges will be seen once again for what he really is.

Some hon. Members: Hear, hear!

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, the remarks of the hon. member for Thunder Bay (Mr. Penner) come dangerously close to the allegation made just a few moments ago by the hon. member for Cochrane (Mr. Stewart). He seemed to imply in his remarks in this House that there are two kinds of members, those who are in and those who are out, in terms of what he said. That is precisely the point that has been made by the hon. member for Cochrane.

Given that state of mind and given the fact that there has been no denial whatever by the hon. member for Thunder Bay (Mr. Penner) or any other member who is alleged to be involved in this matter that these remarks were made in the context indicated by the hon. member for Cochrane, then I think that the hon. member for Thunder Bay is quite right, and we had just better wait for that evidence. I hope that you, sir, will see fit to reserve judgment on this matter so that the evidence can be collected and the House itself can look into the matter and settle it once and for all. Clearly, in view of what the hon. member for Thunder Bay said today, there is at least a hint of suspicion.

Mr. Alexander: No hint; he said it.

Mr. Baker (Grenville-Carleton): I will put it on that very, very generous and open scale. There is at least a hint that perhaps the hon. member for Cochrane is not so wrong, that there has been a concerted effort to create the feeling in the northern part of Ontario that there are two kinds of members. You come from that area, Mr. Speaker, and you would not want that suspicion to exist, would you?

[*Translation*]

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the hon. member referred to the hon. member for Timmins (Mr. Roy), who is absent today because he is attending—

[*English*]

Mr. Speaker: Excuse me, I should correct myself. I recognize the hat of the hon. member for Timmins!

[*Translation*]

Mr. Pinard: Mr. Speaker, I wish to point out two things only. The first I bring up on behalf of the hon. member for Timmins (Mr. Roy) who is absent because he is attending the funeral of his brother. I should like to ask that he be reserved the privilege of answering the accusations made against him. The second point is one of procedure. Mr. Speaker, I find it rather preposterous for you to be asked to find that there is a prima facie question of privilege when the hon. member, who presented the motion, limits himself to quoting his doctrine or principles without any specific incident or detail which could justify, as you yourself mentioned, a ruling on whether or not there is at first glance a question of privilege. When the hon. member for Grenville-Carleton (Mr. Baker) says that a "hint" would be sufficient, to my mind he is not being fair, Mr. Speaker. The House does not base its decisions on whether or not there is a question of privilege on "hints". The hon. member who rises on a question of privilege, which procedure must not be abused and must be seldom used according to Beauchesne, the hon. member, I say again, must quote a newspaper article, a television broadcast, or mention the person who is alleged to have made the statement on which his claims are based, to give you something specific on which to base your ruling on whether or not the beautiful principles he mentions are applicable or not.

The second point on my intervention, Mr. Speaker, is intended merely to draw your attention to the fact that the hon. member who presented the motion today completely omitted referring to any specific incident. He limited himself to saying that the hon. members for Timmins (Mr. Roy) and Thunder Bay (Mr. Penner), according to what he heard, had claimed that. I say that is a gross abuse of our Standing Orders which allow hon. members to rise on questions of privilege, and that you need not wait for the hon. member for Thunder Bay or even the hon. member for Timmins to deny it officially: you can simply find the motion out of order because its allegation is not supported by any specific incidents.

In any event, out of consideration for the hon. member for Timmins, who should have the right to deny accusations that at first glance seem ill-founded, I should like him to be reserved the right to make his views known and to deny formally the allegations founded on the rumour reported by the hon. member who presented the motion.

● (1530)

[*English*]

Mr. Arnold Peters (Timiskaming): Mr. Speaker, as another member involved in this question of privilege but not named, and taking over part of the riding of Cochrane when an election is called, and also having always believed that anyone who had a problem in northern Ontario and felt that I could be of help knew I was always willing to do what I could, I do not object to the matter being made public although my mail is sufficiently heavy that I am certainly not asking for that kind of publicity.

In conjunction with what was said by the hon. member for Grenville-Carleton (Mr. Baker) on the second point of order arising out of this issue, perhaps if Your Honour finds there is a prima facie case you could also look at what I consider to be the undemocratic and certainly dishonest statement made by the hon. member for Thunder Bay (Mr. Penner). He indicated that the only way people in Cochrane are going to be serviced is by having a member who can speak for the government.

Some hon. Members: Oh, oh!

An hon. Member: That is what he said.

Mr. Nielsen: Divine right.

Mr. Speaker: Order, please. As is so often the case, as we get further away from the core of these procedural questions we get into greater danger. If I am not mistaken, I thought I heard the hon. member for Timiskaming (Mr. Peters) say that a statement made earlier this afternoon by another member was dishonest. Obviously we are complicating this matter very greatly and I think we have to be very careful.

I wonder if the House would not realize that in the circumstances it would be a very dangerous practice for the Chair, as a matter of practice, to indicate in some preliminary way that there may be some question here but the parties ought to go out and gather more evidence in support of their relative positions. That, as a matter of practice, is a matter of great danger.

I think we have to recognize the rather fundamental point that the burden of proving an allegation at the time it is made is upon the person making it. If you produce the material at that particular time, that is fine. If an unanswered point arises in the discussion and a member claims he was not prepared for it and would like to make some answer at a later time or asks the Chair to reserve and give a chance for further argument, that I can understand.

I think it would be dangerous for the Chair to make a preliminary finding of some sort now on the basis of evidence that may be produced. What I have to say now is that there has been a suggestion of sorts but obviously it has not been made with precision because I have no language in front of me that I can look upon and say it constitutes something upon which I can make a decision. If that language does in fact exist, I think I would be acting fairly; our procedures ought not to be too rigid in this regard. I think it would be safer to say that in the present circumstances, and in view of the arguments presented up to the present time, I cannot, in the absence of any precise language, make a finding. For the moment, therefore, I think I ought to set this matter aside.

I do this with leave to the hon. member, if he so wishes, to raise it at some time with something that may not have yet come to his attention but does in the interval, or something of that sort. I ought not to put procedural bars in his way that would at that time at least prevent him from raising it. At this time the sensible course is not for me to say, "Yes, I have some difficulty here because there is a lack of precision, a lack of evidence; what I will do is hold it open for the evidence to arrive." I think that is a dangerous procedure. Therefore I have to say, since I have no specific language in front of me at the moment, that I cannot make a finding and I have to set this matter aside on that basis at the present time.

Business of the House

ROUTINE PROCEEDINGS

[*English*]

VETERANS AFFAIRS

Second report of Standing Committee on Veterans Affairs—Mr. Railton.

* * *

[*Translation*]

BANK ACT AND QUEBEC SAVINGS BANKS ACT

AMENDMENT TO EXTEND OPERATION TO APRIL 1, 1980

Hon. Jean Chrétien (Minister of Finance) moved for leave to introduce Bill C-49, to amend the Bank Act and the Quebec Savings Banks Act.

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

* * *

[*English*]

CANADA PORTS ACT

MEASURE TO ESTABLISH

Hon. Otto E. Lang (Minister of Transport) moved for leave to introduce Bill C-50, respecting Canadian ports.

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

* * *

BUSINESS OF THE HOUSE

ALLOTMENT OF TIME TO CONSIDER REPORT AND THIRD READING STAGES OF BILL C-42

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, pursuant to Standing Order 75C, I wish to advise the House that the representatives of parties have been unable to reach agreement under Standing Order 75A or 75B on the allocation of time on report stage and third reading of Bill C-42, an act to provide a means to conserve the supplies of energy within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada.

Therefore, I wish to give notice that a minister will move, at the next sitting of the House, that not more than one additional day be allocated, if necessary, to each of the said stages of the said bill.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 942, 1,112, 1,119 and 1,120.

Order Paper Questions

[*Text*]

PROGRAM FOR EXPORT MARKET DEVELOPMENT

Question No. 942—**Mr. Crosbie (St. John's West):**

1. For the fiscal year (a) 1974-75 (b) 1975-76 (c) 1976-77 (d) 1977-78, under the Department of Industry, Trade and Commerce Programme for Export Market Development (PEMD) or any successor programme under the Enterprise Development Programme (EDP), what was the number and total value of contracts (i) between $0 and $1,000 (ii) between $1,001 and $5,000 (iii) between $5,001 and $10,000 (iv) between $10,001 and $50,000 (v) $50,001 or more (vi) in total?

2. For the same years, what were the expenditures of the Department under the Programme for Export Market Development (PEMD) or any successor programme under the Enterprise Development Programme (EDP) in (a) the Textile and Consumer Products Branch (b) the Agriculture, Fisheries & Food Products Branch (c) the Chemicals Branch (d) the Electrical and Electronics Branch (e) the Machinery Branch (f) the Resource Industries Branch (g) the Construction and Consulting Services Branch (h) the Transportation Industries Branch (*i*) all branches?

3. For the same years, by province and territory, what was the total in grants and contributions by the Department under the Programme for Export Market Development (PEMD) or any successor programme under the Enterprise Development Programme (EDP)?

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned: the computer program for PEMD program data is not programmed to provide all of the requested information.

1. Number of contracts

(a), (b) and (c) not available

(d)—(i) and (ii) 637, (iii) 227, (iv) and (v) 212, (vi) 1076

Value of contracts (Approved)

Distribution by value of contract and (a) and (b) not available

Total Value of Contracts (Approved)

(c) (vi)—$7,900,000

(d) (vi)—$11,200,000

2. Not available by branch

(i) Total expenditures all branches

F.Y. 74/75 $2.5M

75/76 3.5M

76/77 4.9M

77/78 5.7M

3. Grants and contributions (a) and (b) not available

Provinces	(c) 1976-77 Amount Expended	(d) 1977-78 Amount Expended
Alberta and N.W.T.	$ 375,000	$ 369,000
British Columbia	700,000	481,000
Manitoba	63,000	57,000
New Brunswick	21,000	11,000
Newfoundland	9,000	23,000
Nova Scotia	68,000	116,000
Ontario	2,006,000	2,456,000
P.E.I.	2,000	7,000
Quebec	1,700,000	2,140,000
Saskatchewan	15,000	40,000
Total	$4,959,000	$5,700,000

[Mr. Pinard.]

BURRARD YARROWS CORPORATION

Question No. 1,112—**Mr. Crosbie (St. John's West):**

1. Did the government finalize an agreement to provide capital assistance to Burrard Yarrows Corporation of Vancouver, British Columbia and, if so (a) in what amount (b) under what terms and conditions, including the terms of any loans, interest rates and other relevant conditions?

2. Was any of the capital assistance provided by way of a grant or was the assistance all by way of a loan and, if any grants were involved, what was the total amount as compared to the amount of loans made available?

3. Will the government table a copy of the agreement in the House of Commons?

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned:

1. The agreement to make a contribution to the Burrard Yarrows Corporation of Vancouver has not been finalized. However, the government has offered to make a contribution and the company has accepted the offer in principle. The amount of the offer is $28.8 million towards the cost of a project estimated at $50 million.

2. Negotiations on the terms and conditions are continuing and it would therefore be inappropriate to elaborate further on them at this time.

3. The terms and conditions to be included in the agreement will be approved by the governor in council and there will be public access to them.

OLD AGE SECURITY

Question No. 1,119—**Mr. Knowles (Winnipeg North Centre):**

1. How many persons in Canada, and in each province, are in receipt of the Old Age Security pension?

2. Of the recipients of the Old Age Security pension, how many persons in Canada, and in each province, are in receipt of the Guaranteed Income Supplement?

3. Of those receiving the Guaranteed Income Supplement, how many persons in Canada, and in each province, are receiving the full amount?

4. What is the average amount, in Canada and in each province, being received as a Guaranteed Income Supplement by recipients of the Old Age Security pension?

5. Do the answers to the above questions take into consideration persons living outside of Canada who are in receipt of the Old Age Security pension and, if so, how many of such persons are there, and if they are considered as belonging to the various provinces, what is the number for each province?

Hon. Monique Bégin (Minister of National Health and Welfare): In so far as the Department of National Health and Welfare is concerned:

1, 2 and 3. See table I below.

4. See table II below.

5. See table III below.

Number of Persons in Canada in Receipt of

	1. Old Age Security	2. Guaranteed Income Supplement	3. Full Guaranteed Income Supplement
Newfoundland	40,286	32,633	18,712
Prince Edward Island	14,037	10,211	4,050
Nova Scotia	85,697	56,706	22,246
New Brunswick	65,154	43,383	17,933
Quebec	518,400	327,913	134,300
Ontario	778,360	354,243	94,529
Manitoba	112,420	63,418	18,783
Saskatchewan	108,043	58,950	18,574
Alberta	145,465	80,502	26,026
British Columbia	255,465	128,308	40,037
Northwest Territories	1,176	942	760
Yukon	662	364	220
Total	2,125,165	1,157,573	396,170

Note: Above figures relate to January, 1979.

4. Average Amount of Guaranteed Income Supplement Being Received Each Month by Recipients of the Old Age Security Pension

	Based upon Old Age Security Population	Based upon Guaranteed Income Supplement Population
Newfoundland	$91.91	$113.61
Prince Edward Island	78.87	108.50
Nova Scotia	70.31	106.44
New Brunswick	71.48	107.60
Quebec	66.29	104.89
Ontario	45.43	100.00
Manitoba	57.37	101.93
Saskatchewan	56.45	103.56
Alberta	56.80	102.77
British Columbia	51.09	101.94
Northwest Territories	97.45	121.66
Yukon	64.33	117.00
Average in Canada	56.11	103.16

Note: Above figures relate to January, 1979.

The left hand column gives the average amount of Guaranteed Income Supplement paid in January, 1979 on the basis of the total Old Age Security population (2,125,165). The average based upon the lower Guaranteed Income Supplement population (1,157,573) is indicated in the right hand column.

5. The figures in schedules I and II do not include persons living outside Canada who are in receipt of the Old Age Security
The number of persons outside Canada receiving benefits

Newfoundland	94
Prince Edward Island	44
Nova Scotia	321
New Brunswick	342
Quebec	2,754
Ontario	16,887
Manitoba	618
Saskatchewan	349
Alberta	630
British Columbia	2,318
Northwest Territories	
Yukon	
Total	24,357

NOTE: Above figures relate to January, 1979.

Order Paper Questions

SPOUSE'S ALLOWANCE

Question No. 1,120—**Mr. Knowles (Winnipeg North Centre):**

1. In each month during 1978, how many persons were in receipt of the spouse's allowance provided under the Old Age Security Act and how many were (a) male (b) female?

2. In each month during 1978, how many persons who had been receiving the Spouse's Allowance had it discontinued because of the death of the older spouse, and how many were (a) male (b) female?

3. In how many cases was the discontinuance (a) immediate (b) up to six months after the death of the older spouse?

Hon. Monique Bégin (Minister of National Health and Welfare): In so far as the Department of National Health and Welfare is concerned:

1. See table I below.

2 and 3. See table II below.

1. Number of persons in receipt of spouse's allowance for each month during 1978

January	74,307
February	74,156
March	73,835
April	66,259
May	70,885
June	72,824
July	73,801
August	74,369
September	74,699
October	75,157
November	75,201
December	75,012

(a) and (b)—Information to indicate the sex of spouse's allowance recipients is not available on a regular basis. However, information compiled for the month of June, 1978 only indicates there were 5,753 male and 67,071 female recipients of the spouse's allowance.

2. Number of spouse's allowance discontinued because of the death of the older spouse for each month during 1978

January	189
February	207
March	202
April	199
May	169
June	186
July	127
August	151
September	149
October	165
November	204
December	142
Total	2,090

(a) and (b)—Information to indicate the sex of spouse's

allowance recipients whose benefits were discontinued is not available.

3. (a) The number of persons whose spouse's allowance was discontinued immediately due to the death of the older spouse in the year 1978 is 2,090.

(b) The legislation concerning this item took effect on November 20, 1978. The first spouse's allowance to be discontinued after the six months extension will not occur until May, 1979. The number of spouse's allowances that were extended in 1978 for a period of six months is 26.

The number of benefits discontinued in December relate to situations in which the death of the older spouse occurred prior to November 20, 1978. The action to discontinue payment had to be taken in December.

[*English*]

Mr. Pinard: Mr. Speaker, I ask that the remaining questions be allowed to stand.

Mr. Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

* * *

POINTS OF ORDER

MR. McKENZIE—DELAY IN ANSWERING STARRED QUESTION 355

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I see the parliamentary secretary is not going to answer any starred questions today. On October 24, 1978, I placed starred question No. 355 on the order paper. It has been explained to me that starred questions are supposed to be answered within approximately two weeks, not five months. I placed a legitimate question on the order paper which reads as follows:

Did Canadian Aviation Electronics purchase hangars at the Winnipeg International Airport formerly owned by Air Canada and, if so (*a*) how many (*b*) at what cost in each case (*c*) did the Company pay the total agreed purchase price in each case (*d*) does the Company own the hangars fully, completely and outright (*e*) does the purchase agreement allow the Company to resell any of the hangars?

This is a legitimate question dealing with public buildings and I have a legitimate reason for asking it. The parliamentary secretary takes issue with this because we get up repeatedly and make remarks additional to the wording of our questions. It is no wonder we do that if we cannot get these questions answered properly, especially starred questions. I would ask him to look into starred question No. 355 and tell me tomorrow why he could not give me the information that I asked for last year.

● (1540)

MR. LAMBERT (EDMONTON WEST)—DELAY IN ANSWERING ORDER PAPER QUESTIONS

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, some three weeks ago I placed some very straightforward questions on the order paper to be answered by the Minister of Transport (Mr. Lang). These matters are of notorious knowledge and they are within the competence of the department to answer within a week.

I cannot protest loudly enough on behalf of all members of this House regarding this situation. In most cases answers could be given in a week or ten days, yet we are kept waiting weeks and months. It is not the fault of the parliamentary secretary; he funnels the questions into the House. The fault lies with the ministers and their staff who do not take parliament seriously enough. It is parliament which asks for this information and it is not for the bureaucracy to say no. I say there must be a change. There has to be a change in attitude with regard to answering questions.

Many of us place questions on the order paper but infrequently. We do not do it for a joke, but bureaucrats backing ministers consider that it is a joke. They take all the time in the world to defuse or to try to obfuscate or cover up. Frankly, when I was in your position I would not accept that stand from departmental ministers who told me they could not answer questions. The Speaker of the House is there on behalf of members. I would suggest, sir, that a cluttered order paper is not something of which one should be proud.

[*Translation*]

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): Mr. Speaker, this applies to both questions. When there are 2,000-odd questions per session, it is rather difficult to guarantee a reply for each one within one or two weeks, as hon. members suggest. With 2,000 questions on the order paper, each department obviously has more than one question to deal with, and I have always made sure that no question was deliberately put aside and that all necessary action was taken to try and offer, as quickly as possible, the best and most complete answers as possible. All I ask hon. members is to realize that we must consider roughly 2,000 questions per session. Several of them refer to 40-odd departments or agencies, and it is impossible to reply consistently within one or two weeks, as hon. members request.

[*English*]

Mr. Lambert (Edmonton West): Mr. Speaker, may I say to the parliamentary secretary that there are persons whose sole employment is parliamentary returns. They are either incompetent or the most underemployed people in certain departments. I will agree with the parliamentary secretary that there are some questions which are complicated and of the multi-agency type. But those questions which are straightforward within the department and within reasonable, competent knowledge should not be taking a week or ten days to be answered.

GOVERNMENT ORDERS

[*Translation*]

WAYS AND MEANS

CUSTOMS TARIFF

Hon. Jean Chrétien (Minister of Finance) moved:

That a ways and means motion to amend the Customs Tariff, notice of which has been tabled in the House on Monday, March 12, 1979, be agreed to.

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

Some hon. Members: Agreed.

Motion agreed to.

NEW ZEALAND TRADE AGREEMENT ACT, 1932

Hon. Jean Chrétien (Minister of Finance) moved:

That a ways and means motion to amend the New Zealand Trade Agreement Act, 1932, notice of which has been tabled in the House on Monday, March 12, 1979, be agreed to.

[*English*]

Mr. Lambert (Edmonton West): Mr. Speaker, I trust that we will have an appearance by the minister.

Mr. Speaker: Order, please. It is a ways and means motion which has to be put without debate.

Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to.

AUSTRALIAN TRADE AGREEMENT ACT, 1960

The House proceeded to the consideration of a ways and means motion to amend the Australian Trade Agreement Act, 1960.

Hon. Jean Chrétien (Minister of Finance) moved:

1. That Schedule A to the Australian Trade Agreement Act, 1960, be amended by striking out tariff items 104a and 106 and subitem 152(i), and the enumeration of goods, the rates of duty and margins of preference, if any, set opposite each of those items.

2. That any enactment founded upon this motion shall be deemed to have come into force on the 1st day of October, 1979, and to have applied to all goods mentioned in the said motion imported or taken out of warehouse for consumption on or after that day, and to have applied to goods previously imported for which no entry for consumption was made before that day.

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

Some hon. Members: Agreed.

Motion agreed to.

Customs Tariff

UNION OF SOUTH AFRICA TRADE AGREEMENT ACT, 1932

The House proceeded to the consideration of a ways and means motion to amend the Union of South Africa Trade Agreement Act, 1932.

Hon. Jean Chrétien (Minister of Finance) moved:

1. That Schedule A to *The Union of South Africa Trade Agreement Act, 1932*, be amended by striking out tariff items 104a and 106, and the enumerations of goods and the rates of duty set opposite each of those items.

2. That any enactment founded upon this motion shall be deemed to have come into force on the 1st day of October 1979, and to have applied to all goods mentioned in the said motion imported or taken out of warehouse for consumption on or after that day, and to have applied to goods previously imported for which no entry for consumption was made before that day.

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

Some hon. Members: Agreed.

Motion agreed to.

Mr. Lambert (Edmonton West): Mr. Speaker, I have a question regarding the two items which have just gone through. It pertains to any radical departure which may occur in agreements which Canada has concluded with the countries in question. I have found our relations with Australia far less extensive than what I would like. It is the same thing in the case of South Africa, regardless of what some of the bleeding hearts—

Mr. Speaker: Order, please. It seems to me the hon. member for Edmonton West (Mr. Lambert) is launching into a debate on the motions. They are not debatable motions. I have to put the question without debate. It is a ways and means motion. When the bill follows, which I assume will be shortly, I will certainly recognize the hon. member.

* * *

[*Translation*]

CUSTOMS TARIFF

MEASURE TO AMEND

Hon. Jean Chrétien (Minister of Finance) moved that Bill C-51, to amend the Customs Tariff and to make certain amendments to the New Zealand Trade Agreement Act, 1932, the Australian Trade Agreement Act, 1960, and the Union of South Africa Trade Agreement Act, 1932, be now read the first time and printed.

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

Some hon. Members: Agreed.

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

[*English*]

ENERGY SUPPLIES EMERGENCY ACT, 1979

MEASURE TO CONSERVE STOCKS

The House resumed from Friday, March 16, consideration of the motion of Mr. Gillespie that Bill C-42, to provide a means to conserve the supplies of energy within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada, as reported (with amendments) from the Standing Committee on National Resources and Public Works, and motion No. 5 (Mr. Symes).

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, when I called it four o'clock on Friday I was nearing the completion of my remarks. However, today I was preceded by a motion put by the minister. I find it almost beyond belief that the government would institute closure at this point in time. I do not think I am giving away a confidence when I inform the House that we were quite prepared to pass this bill last Tuesday had the government co-operated on one item, that of not insisting upon closure. Now we have closure to institute closure on a bill which, according to the government of Ontario, would, and I quote:

—convert the modestly endowed Minister of Energy, Mines and Resources into a king of energy. It would grant him absolute and dictatorial powers that are wholly foreign to Canadian practice . . . in times of war. And these dictatorial powers and managerial responsibilities will be exercised by a minister and a board who have no background in such management.

That is the nature of the legislation. We ask one thing, that closure not be put in the bill which would prevent a future parliament from debating the order of the governor in council should these dictatorial powers be assumed. That is all we ask. We ask no closure in the legislation. The minister could have had the bill last Tuesday. We now have closure to implement closure, which is a despicable act by a minister who, besides being modestly endowed, has no respect for democracy and our democratic procedures.

● (1550)

Before closing off this portion of my remarks, I wish to put on the record of this House some comments made in the Standing Committee on National Resources and Public Works on March 1, as recorded in issue No. 5 of the proceedings of that committee. The hon. member for Sault Ste. Marie (Mr. Symes) was questioning the minister. I quote from the final part of his question which I think catches the essence of it. The hon. member suggested:

—that Petro-Canada should make the direct contractual link with countries such as Venezuela in terms of oil supply rather than a subsidiary who has to take orders from a parent outside of Canadian control.

The Minister of Energy, Mines and Resources (Mr. Gillespie) replied as follows:

To suggest—as you may be suggesting or as some of your colleagues have suggested—that Petro-Canada should be the exclusive and sole importing agency for all crude oil would be, it seems to me, to bring about an impossible situation for the Canadian national oil company. I cannot think of a way which would at the present time, at any rate, probably discredit the national oil company of Canada more than asking it to do something which is technically beyond its competence at the present time.

I am not at all sure that in the longer period one should look towards an exclusive importing arrangement. I think it would be far too complicated. I think we should recognize that there are some situations, particularly where crude from the eastern hemisphere is involved, where the international pooling arrangements are to Canada's advantage as long as the Canadian subsidiary and Canadian companies have an access to that, because they can hedge the insecurities associated with middle eastern, eastern hemisphere crude.

On March 1 the minister said to the committee that Petro-Canada lacks the competence to negotiate deals with foreign companies. The minister said it would be a mistake to cut us off from these international pools since it gives us a hedge that is to Canada's benefit. That was the minister's view on March 1. That is the view this party has been talking about throughout this debate.

Somehow between March 1 and a week later the minister said that may be the fact, that maybe in reality Petro-Canada does lack the competence and that we would be putting ourselves in jeopardy in cutting ourselves off from these international pooling arrangements, but in terms of politics it looks good. He said he was going to forget all of the logic, reason and wisdom and pursue the political path. If that damaged the country in the long run, it would not matter to him because we would have an election under our belts by that time.

That was basically the position of the minister in that regard. The fact that it is an irresponsible position is hardly surprising since we are dealing with an irresponsible minister who demonstrated his irresponsibility by moving closure, rule 75C, a few minutes ago. It was a despicable act by a despicable minister.

The Acting Speaker (Mr. Turner): Is the House ready for the question?

Mr. Knowles (Winnipeg North Centre): What about the minister?

Mr. Gillespie: I intend to participate on this particular amendment, but not at this point.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, it is amazing that, an amendment having been moved by the hon. member for Sault Ste. Marie (Mr. Symes) on behalf of the New Democratic Party, the official opposition having stated their position on it in two speeches, the minister, who would be expected to express the government's point of view, remains in his seat. I know the minister wants to hurry the legislation through and we certainly have no intention of prolonging the debate, but surely this House and the country have a right to know where the minister stands with regard to this amendment. The minister knows perfectly well that if he stays seated long enough and lets everyone else speak, he will be able to close the debate with no opportunity provided for members on this side to answer him without appearing to obstruct the debate, the very thing he is trying to avoid by moving a motion of closure.

The purpose of the amendment moved by the hon. member for Sault Ste. Marie is quite clear and specific. Under this

legislation it is proposed that the government in an emergency situation will have the authority to set up an allocation board. By an amendment moved by the minister, which our party will support, it is proposed that Petro-Canada can be named by the governor in council as a member of the allocation board. We think that is a good idea. However, we have gone one step further and said that, in our opinion, Petro-Canada should not only be a member of the allocation board but should be the sole importer of oil into this country. We say that in order to ensure two things. First, it would ensure security of supply. There has been a great deal of talk by members of the official opposition to the effect that only the multinationals with their pools of oil will be able to meet the needs of the Canadian people. That is myth. It is a hangover from a day that is long gone.

There was a day when the multinational corporations had pools of oil because they were the operating companies in the Middle East, Africa and Venezuela. That is no longer true. With the exception of Canada and the United States, in almost every country the great pools of oil have been nationalized. Today they are being developed by government-owned oil companies. That is true today for Mexico, Venezuela, Saudi Arabia, Iran, Iraq, Nigeria and practically all of the oil producing countries.

The oil companies which once controlled the supply of oil have been reduced today to being middlemen and transporters of oil. Exxon, Gulf, Shell, British Petroleum and all these other companies simply buy from these state trading corporations the oil which they need for their subsidiaries. They have the tankers, they ship it and then sell that oil to their subsidiaries and sometimes to other independent companies. They do not have any pools of oil.

For a number of years the trend for the producing countries through their state oil companies has been to insist that they want to deal with oil companies owned by the importing countries. That has been said again and again. When the Shah of Iran was still sitting on the Peacock Throne four or five years ago, he visited Washington where he was interviewed by the press. He said that they would prefer to deal on a government to government basis. The reason he gave was that every time they raised the price of oil at the wellhead by $1 a barrel, the multinational companies, which are the middlemen, raised the price $2 a barrel. Therefore, they were not only blamed for the $1 barrel increase for which they were responsible but for the $1 a barrel which the oil companies added as part of their mark-up.

This has been said by the governments of Mexico, Venezuela and many Middle Eastern countries. I think it can be demonstrated that security of supply is much greater on the basis of having Petro-Canada, with all the prestige that goes with representing the government and the people of Canada, secure our oil supplies. There would be much greater advantage and a greater degree of certainty than if this were done by a multinational company, particularly a multinational company which has incurred the hostility of many of these oil producing countries.

● (1600)

The other benefit of making Petro-Canada the sole importing agency has to do with price. I have heard a good deal of talk from the representative of the Progressive Conservative party to the effect that having Petro-Canada act as the sole importing agent would increase the price. Exactly the opposite would be the case. A government agency buying oil directly from government oil agencies in various part of the world and selling it in Canada to the oil companies which have refineries and facilities for distributing it would ensure that the price charged to the ultimate consumer would be the actual cost of purchasing, shipping it and refining it, with a mark-up for the oil companies which render those services.

One thing the Canadian people would be sure of—and they cannot be sure of it now—is that a multinational company purchasing oil in any part of the world, ostensibly for one of its subsidiaries, say, in Canada, could not under pressure from its own government divert that oil to its own country.

That is what happened in the case of Exxon. Exxon, under an obligation to deliver 100,000 barrels to its subsidiary Imperial Oil, decided unilaterally to divert 25,000 barrels a day to the United States. We cannot complain about that, I suppose, if we look at the situation from the point of view of Exxon. After all, Exxon is incorporated in the United States. It wants to get along with that government; it wants to keep the good will of the people of that country. I suppose the decision it took is one which most of us would take if we were members of the board of directors of Exxon. But by using Petro-Canada to make these oil purchases, we would know that oil contracted for delivery to Canadian oil companies would reach Canadian oil companies and would not be diverted. We cannot be sure of that under the legislation before us.

That is why I had hoped the minister would rise to take part in this debate. As we know, Exxon has thumbed its corporate nose at him twice. First, the hon. gentleman said to Imperial Oil: "We want you to deal directly with the state-owned company in Venezuela, the source of supply". But it did not take Exxon very long to tell Imperial Oil what to do. After all, Exxon owns Imperial Oil, or 70 per cent of its shares. They said, in effect: "You tell Gillespie to forget it".

The second occasion was when the minister demanded restoration of the 25,000 barrels which has been taken away from them. It is true some adjustment was made. They cut the 25,000 to 9,000 as a gesture, but in principle they told him to mind his own business. This was their business, they estimated, and they could distribute oil wherever they wished.

The government has made a lot of fuss. The minister has beat his breast here in the House. He was standing up to Exxon, he told us; he was not going to allow the Canadian consumer to be dependent on what the multinationals did. But what is the role laid out for Petro-Can in this bill? It is merely that it can be a member of the allocation board should the government so decide and be given the right to import oil from Venezuela if it can get agreement from Venezuela to do so after the present agreement with Imperial Oil expires.

If Petro-Canada can do what the minister has said he would like it to and become the importer of oil from Venezuela on a straight government to government trading basis, why could Petro-Canada not do the same thing vis-à-vis the other oil exporting companies in Mexico, Iraq, Iran, Nigeria and so on? There is no reason at all why this should not be the case. Why does the Liberal party always fail to carry through? It makes a cosmetic gesture but never does anything which is meaningful and effective.

I hope the minister will tell us why he feels Petro-Canada should not be authorized to deal with state oil companies other than those of Venezuela. There is nothing mandatory about the amendment in the name of my hon. friend. It simply gives the government power to take action should the occasion arise and should the occasion warrant it. The government would then have the power to make Petro-Canada the sole importer.

I do not intend to take up much time dealing with the comments which have been made by the hon. member for Northumberland-Durham (Mr. Lawrence) or the hon. member for Calgary Centre (Mr. Andre). The hon. member for Calgary Centre said, if I remember correctly, that this legislation gave dictatorial power to a minister and to a board which had no experience of dealing with these matters. Would the official opposition prefer to continue to put these powers in the hands of the multinational oil companies which have deceived us and exploited the people of this country down through the years?

Mr. Lambert (Edmonton West): Come, now! You are not speaking in the Alberta election. You are speaking this week, not last week.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Is that the position of the Ontario government and of the official opposition?

Mr. Lambert (Edmonton West): Your record in Saskatchewan on oil is a great example. That is just old party dialectics.

Mr. Douglas (Nanaimo-Cowichan-The Islands): The hon. member for Edmonton West (Mr. Lambert) should not allow himself to generate more indignation than he can handle. He is going to burst one of these days.

Mr. Lambert (Edmonton West): I am just confused by the hon. member's statement.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I know the hon. member is confused and I am trying to straighten him out.

How have these multinational oil companies been described? They have been described very adequately during the last few days. Let me give just one description which hon. members who are interested in the subject may find at page 4256 of *Hansard* for last Friday. The hon. member for Northumberland-Durham is reported as saying:

> I certainly do not want to defend in any manner the present or past history of the multinational oil companies of the world in the world market. On many occasions they certainly have not acted in Canada's best interest. They may not even be acting in Canada's best interest right now. They are obviously acting in their own best interests. That is what they are there for.

● (1610)

He went on to say:

> It is a shame, and one of the tragedies of this government and this country that we have to rely on multinationals at any time for any amount of crude oil.

In my wildest moments I have never made a more excoriating attack on the multinational corporations than those two quotations. The hon. member for Northumberland-Durham has put the problem in very clear and concise terms. As he describes it, these multinational corporations are not acting in Canada's best interests, have not in the past nor are they now. He points out that it is a shame and a tragedy that we have to rely on them for any amount of crude oil.

If he believes that, then how can he in the same breath oppose this legislation and this amendment and suggest that we should turn over to the multinational corporations, as we have done for decades, the whole question of the distribution of oil? He makes the point in one place that we do not really need to worry about that because the International Energy Agency is now setting up such an organization.

Of course, that is complete nonsense. The International Energy Agency has an agreement which has brought together some 19 countries, of which Canada is a member, and they will from time to time have the authority to agree among themselves as to what amount of reduction they will impose with reference to the importation of oil. In other words, they will try to agree among themselves to reduce the demand so that it will come somewhere close to equating with the supply. But they have no machinery for distributing oil and they will not decide how much Iranian oil will go to Canada, how much to the United States or how much to Japan. Unless we set up our own machinery under this act, unless we give to Petro-Canada the power to be the importing agent with respect to the purchase of oil for Canadian oil companies, that decision will be made by the seven "Big Sisters", by the big oil majors. They will decide, as the hon. member for Northumberland-Durham has already stated, what is in their own interest, what is to their best advantage and what will best please the countries where they are incorporated, and that is not Canada.

I shall listen with interest to what the Minister of Energy, Mines and Resources (Mr. Gillespie) has to say. I do not want him to tell us that he is against the multinational oil companies controlling the distribution of oil but he proposes to leave Petro-Canada without any power other than what the government has already given it to negotiate for sales with Mexico. The minister has so far given a good deal of lip service to strengthening the powers and the capacity of Petro-Canada, and for that I give him credit. I think that Petro-Canada needed more clout, and I think the minister has given it that. It has become a much more effective instrument during the time that he has been minister, and for that I commend him.

I have also noticed, of course, that my friends in the Progressive Conservative party have become more vehement every day about destroying Petro-Canada, and that is going to

be a confrontation in this country. But I want to say to the minister that we do not want any pretence about supporting Petro-Canada. The Conservatives want to strangle the baby in its cradle, but I want to make sure that the minister and the Liberal government do not want to starve it in the cradle. Because Petro-Canada might as well be wiped out unless it is going to be given an effective role, and the only way it can have an effective role is to be the sole importer of oil in Canada so as to make sure of security of supply, to make sure that those supplies cannot be diverted to some subsidiary, and to make sure that the price which the Canadian consumer pays is a fair and reasonable price, not a marked up price that takes advantage of the world situation, such as we have today.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, I have listened very carefully to the last speaker, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), as I did to the hon. member for Calgary Centre (Mr. Andre).

First, I should like to deal with some of the remarks of the hon. member for Calgary Centre. He seemed to resent the fact that I introduced a motion of time allocation prior to his concluding remarks. There was a very simple reason why I introduced that motion. It was because we had been confronted in the House with delaying tactics on the part of the opposition which we on the government side could no longer accept.

If hon. members look at the record, they will see exactly what I mean. We spent four days last week on the report stage. That is an unusually long period of time. Indeed, we have spent the whole week on report stage and we are still on the report stage. There is one reason alone why we are still on the report stage. It is because hon. members opposite have talked and talked and talked. They have kept the debate running and they have not been interested in bringing it to a conclusion. That comes after three days on second reading and another eight meetings in committee.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. Today notice was given of a motion under Standing Order 75c. I believe the time to debate that is tomorrow when the motion is put. It is not before the House today.

An hon. Member: The minister should talk about his bill and about the amendment.

The Acting Speaker (Mr. Turner): The point of order is well taken.

Mr. Gillespie: Mr. Speaker, I addressed myself to these points because the hon. member for Calgary Centre specifically raised them in his opening remarks and I think the House would expect me to respond to his comments. I think it is also of some interest since most of us know that this is not a new bill in the sense that its provisions have been before the House once before. I am referring to the bill which was introduced in 1973 and reported out in 1974. There is no substantial difference in the provisions here. This bill has been considered by parliament on a previous occasion, so that to suggest that we needed an extra amount of time when we had already dealt with the bill and there was much on the record, I think is just playing politics with the issue.

Some hon. Members: Hear, hear!

Mr. Gillespie: The hon. member for Nanaimo-Cowichan-The Islands raised the question as to my position on this bill and asked why I had not registered my position. If he were to read the transcript of the committee hearings, he would discover, as did his colleague from Sault Ste. Marie (Mr. Symes), that I stated my position with respect to the amendment in committee and it is on the record. This amendment, as the hon. member for Nanaimo-Cowichan-The Islands knows, was introduced, not for the first time, at the report stage. Again we are going over the ground. The amendment of the hon. member for Northumberland-Durham was dealt with and voted down in committee. Similarly, the amendment of the hon. member for Sault Ste. Marie was introduced in the committee, considered by the members and voted down. But here again we are going over the same old ground. I made my position very clear.

Mr. Douglas (Nanaimo-Cowichan-The Islands): The House has a right to do that.

Mr. Gillespie: I made my position very clear, that this amendment was not needed. I believe the hon. member for Calgary Centre quoted from some of my comments at the committee indicating why I did not believe this amendment is needed at this time. I believe that if hon. members would look at the record and consider the facts, they would realize that the government now has the power to use Petro-Canada in an importing way through the Petro-Canada Act, if it is needed.

● (1620)

I listened very carefully to the remarks of the New Democratic Party member to find out whether he was arguing that this particular amendment was essential to give government the power to have or cause Petro-Canada to move into an importing situation. That has not been the argument of the New Democratic Party. The argument of the proposer of the amendment was that this would feature or advertise an option, or words to that effect. We do not have to put into legislation words which would feature or advertise an option Canada has when we have already that power in existing legislation.

The Acting Speaker (Mr. Turner): The hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) rises on a point of order.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I am not rising on a point of order. I am wondering whether the hon. minister would permit a question.

Mr. Gillespie: I would be pleased to answer the hon. member's question at the end of my remarks.

Mr. Douglas (Nanaimo-Cowichan-The Islands): The minister said that we already have the power. Under the legislation setting up Petro-Canada—

The Acting Speaker (Mr. Turner): Order, please. I suggest to the hon. member that the hon. minister has stated already that he will accept the question at the end of his remarks.

Mr. Gillespie: I would be very pleased to take questions at the end of my remarks, but I should like to deal with the issues raised in the debate on this particular amendment. I have indicated that the power already exists, and therefore I can see no reason why we should put into this bill a particular provision which does not provide any additional power. I think the proposer of the amendment would acknowledge that. That is what I took from his remarks, that it gives the government an option. The government has that option without putting this in.

Mr. Symes: Not true.

Mr. Gillespie: Yes, the government has that option. The events of the last few weeks indicate that the government has that power. It can exercise that option by causing Petro-Canada to enter into negotiations with Petroleos de Venezuela, the national oil company of Venezuela. Let it be understood that that is an initiative the government is taking, an initiative for which the official opposition criticized the government, specifically the energy critic, the hon. member for Northumberland-Durham (Mr. Lawrence).

Mr. Lawrence: You are right.

Mr. Gillespie: As the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) said in his remarks a moment ago, the position of the Conservative party on the functions and place of Petro-Canada at this time are absolutely incredible. I think that is a generous remark; I think it is absolutely ludicrous. The hon. member for Northumberland-Durham noted in this debate that the multinational oil companies probably had not always served Canada's best interests. I should like to quote from page 4256 of *Hansard* dated March 16. When the hon. member was referring to multinational corporations, he said the following:

> On many occasions they certainly have not acted in Canada's best interest. They may not even be acting in Canada's best interest right now. They are obviously acting in their own best interest. That is what they are there for. There is no question about that, but I suggest that at times of shortage or impending shortage the one and only asset we can use in the national interest as far as multinationals are concerned is their knowledge and experience and their access to these international pools—

He went on to say:

> The very time when there is an impending shortage in the international field is certainly not the best time to change horses.

That is an incredible position for a responsible opposition party to take at the very moment when we are faced with shortages, serious international shortages and additional shortages created by the actions of one of the multinational corporations. The official opposition argued that we can place more of our confidence in the multinational corporations, and that we should not use Petro-Canada, the national oil company of Canada, to protect and preserve Canadian interests. That is what the hon. member said—that this is not the time for Petro-Canada to act in Canada's interests. He is willing to accept the multinationals even though he may suspect that they are not behaving in Canada's interests.

Of course, this is the same view expressed by the Conservative party when we discussed the first amendment, the one which would place Petro-Canada as one of the representatives of the federal government on the standing group for emergency questions in the International Energy Agency. At that time in the debate they put on the record that, if they were the government, they would not see any reason to use Petro-Canada to protect and guard Canadian interests when the international allocation system will be implemented by multinational corporations. It is quite clear that the official opposition is consistent. It has been against Petro-Canada from the day it was created. Members of the Conservative party voted against it in the House. They have been consistent ever since in damning it, attacking it and arguing that, if they were to form the government, they would destroy it and get rid of it as a policy instrument.

The hon. member for Northumberland-Durham had more to say. At page 4256 he indicated that he would effectively let other countries get in ahead as far as Mexican supplies are concerned. He argued that this was the wrong time for Petro-Canada to be negotiating with Pemex, the national oil company of Mexico, because this would be against the Canadian national interest in some way. The hon. member does not seem to realize that most other countries are lined up trying to get a piece of the Mexican action. He does not seem to realize that Exxon Corporation, acting in its own interests and perhaps to some extent in the interests of the United States, has been lined up trying to get a piece of Mexican production. The hon. member does not seem to realize that the French government has sent over trade missions because it wants to get several hundreds of thousands of barrels a day of Mexican oil. The French government regards Mexican oil as a secure source. The hon. member does not seem to realize that the Spanish government, the German government, the Israeli government, or the Japanese government, are interested. The Japanese government is after 300,000 barrels a day. The negotiations between these other countries and Mexico would have taken place without a Canadian negotiator at the table if the Conservative party had had its way.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Gillespie: The Conservative party has not been following the international energy situation. It is without policies in this area; it is blinded by its pathological opposition to, even hate for, Petro-Canada. The Conservative party has yet to find a way of putting Canada first. If the official opposition had thought a little more about Canada, had relied less on others

and had not been prepared to take the lead of the province of Alberta, it might have developed its own energy policy. But it has not; it has no policy on price. Its policy respecting Petro-Canada, the national policy instrument, is to destroy it, to get rid of it, wind it up, sell it, carve it up in pieces and dish it out.

The hon. Leader of the Official Opposition (Mr. Clark) gave an interview to the Canadian Broadcasting Corporation on the weekend. I have the transcript in front of me. Once again it is quite clear that the Conservative party has never seen and does not now see Petro-Canada as a policy instrument, an instrument for energy policy in Canada.

Mr. Lawrence: Yes, you are right.

Mr. Gillespie: Again the hon. member for Northumberland-Durham confirms that the Conservative party does not see and has not seen that Canada needs an instrument for energy policy.

Mr. Lawrence: No, no.

Mr. Gillespie: The official opposition has failed to recognize that our industry is largely foreign-controlled, something in the order of 90 per cent or more; that the decisions respecting exploration and development are made by corporations with head offices outside of Canada, with priorities set by those outside of Canada, for very good reason but not always for Canadians.

• (1630)

I am not arguing that multinational corporations and foreign-controlled companies in Canada have never operated to the benefit of Canada, because I think quite clearly they have; and I think that as a result of the Foreign Investment Review Act they are doing so even more because they now have to meet the test of significant benefit to Canada. If more of them will recognize the importance of the principles of international business conduct, particularly those who are not screened by the Foreign Investment Review Agency but who are living in Canada seeking to be good Canadian corporate citizens, and will follow these particular guidelines, Canada will be better served.

However, we are not prepared to base our case just on those particular principles or the protestations of those companies who claim they are following them. We believe that in respect of an industry of this kind, with the degree of foreign control that exists, with an industry that is so strategic—and I emphasize that word "strategic"—in every sense of the word as the oil industry in Canada is, we need a significant policy instrument and a corporation which can give effect to Canadian priorities.

We believe Canada needs an instrument which can be used when a multinational corporation intervenes in an arbitrary way against the best interest of Canada, as the Exxon Corporation did the other day when it diverted oil destined for Canada. We believe we need an instrument of policy that will show that the heavy oils of western Canada represent a priority for Canada.

While we might be able to provide an incentive to the corporate sector, and indeed we have, we are not prepared to believe that tax incentives alone will do the things which are needed for Canada. We do not believe they alone will provide the degree of urgency attached to priorities in Canada. Yet the Leader of the Opposition has said tax policy is the key. He has made it quite clear that he would place all his emphasis on tax policy, and that he would be prepared to give more incentives to the oil companies.

Those are questions we will be debating in weeks to come, but clearly they divide the official opposition and the government party. As I go through statements by the Leader of the Opposition I find that he has said that "Petro-Canada has cost Canadians a great deal of money, and it has given us virtually no advantages that we would want that we did not have earlier". Those are words he has used and put on the public record—that "Petro-Canada has given us virtually no advantages that we would want that we did not have earlier".

What an incredible admission; what an incredible confession for a man who would be the leader of this country! He made that statement obviously out of ignorance. He is a man who comes from an energy-producing part of the country, yet he has so little interest himself in Canadian energy questions that he would make such a statement as "Petro-Canada has given us virtually no advantages that we would want that we did not have earlier."

Has the Leader of the Opposition or opposition members thought about the Exxon situation and how they would have dealt with it? Have they thought about what vehicle or policy instrument they would have used to work out arrangements with Venezuela? I have not heard from them on that, or on what policy instrument they would have used. I have heard very little from them on the way multinationals have established a particular priority in respect of the development of heavy oils in western Canada. That has been clear. At no time has the Leader of the Opposition indicated that heavy oils in western Canada are important, or that we need a policy instrument through which we can escalate their development for Canada.

Mr. Knowles (Winnipeg North Centre): I rise on a point of order, Mr. Speaker. I am sure you must realize what my point of order is going to be. A little while ago the minister, who has just been speaking, gave notice of a closure motion, indicating that the government wants to get on with this legislation. We now have before us a very precise report stage amendment dealing with the proposal that Petro-Canada should be designated as the sole importer of petroleum and petroleum products in an emergency situation. Surely it is out of order for the minister to wander over the whole question, to revive the second reading debate or to anticipate the third reading debate. If he is anxious to get this debate finished, why does he not deal with that which is before us; in other words, why does he not speak to the motion?

Mr. Gillespie: Mr. Speaker, I have just about concluded my remarks. I think it is important that we discuss the role of

Petro-Canada as that is the subject of the particular amendment before us. As the hon. member has noted, the amendment would make Petro-Canada the sole importer of foreign oil. I think anyone who has been following the debate would recognize that Petro-Can represents a very important policy instrument for any government. I believe that one of its functions should be the importation of foreign oil. That has been very clear in view of the actions we have already taken to ensure that Petro-Canada will in fact become a significant importer and, therefore, provide a greater degree of energy security for Canada.

It is important to recognize that we are dealing with a question of sovereignty here. The Leader of the Opposition has not recognized that. These two sovereign nations, Venezuela and Canada, have stated they want to do business together. We are prepared to provide a market for their oil and they are prepared to guarantee that oil to us. When an international company like the Exxon Corporation intervenes, that international company is interfering with the sovereign rights of, for example, Venezuela and Canada. I think that is important and that is why I have dealt with it.

I indicated at the beginning of my remarks that I felt I had made it clear before the committee why this particular amendment was not needed. We have powers in respect of importing, as I have already indicated, but I do not feel we should hold out the expectation that overnight—and I think this can be read into the amendment—Petro-Canada would take over all imports. Because this would mean arranging all the transportation, determining all the qualities and quantities, establishing contacts with all suppliers, and acquiring a degree of knowledge about the refining industry in this country; and that may not be possible overnight as some of the refiners themselves may want to keep that information to themselves, for good reason.

Others, let us face it, might wish to place Petro-Canada in a position in which it was not able to deliver, particularly in view of the complexity of the job that might be given to it if we were to go the sole importer route. That could have the effect of discrediting Petro-Canada at a very important time when Petro-Canada's competence and its achievements are becoming better known on a week by week basis. Petro-Canada has shown that it can attract management, that it can think imaginatively and well in advance, and that it can put Canadian priorities first. It has shown that it does not have to worry about the views and priorities of those who might make decisions for Canadian subsidiaries operating in Canada, putting their interest before Canadian national interests.

● (1640)

There is a suggestion at times—I think it has been put forward by the Leader of the Opposition—that more Canadian companies—I presume that he means more Canadian controlled companies, although he has not said it because Imperial Oil itself is a Canadian company—

Mr. Baker (Grenville-Carleton): Yes, he has.

[Mr. Gillespie.]

Mr. Gillespie: I am reading from the text of the remarks he made on Sunday, and he does not make that point.

Mr. Baker (Grenville-Carleton): You can't read.

Mr. Gillespie: Even if the industry were different in terms of Canadian control—and that is obviously some way off into the future, however one may wish that it was sooner rather than later—it does not necessarily follow that the decisions of those companies will always ensure that the risky, far off, and imaginative projects will be undertaken for Canada's good. I am referring to the high Arctic, and I am sure that hon. members realize that there will not be an immediate cash flow from the high Arctic. We know that the Panarctic people, those in the private sector and Canadian companies, have been—

Mr. Baker (Grenville-Carleton): Mr. Speaker, can he not stay on the point?

Mr. Gillespie: I am dealing with Petro-Canada's future and what this particular amendment would do to it. I think that that is an important point. I understand that the hon. member shares his leader's view, that he would dismantle Petro-Canada; or to quote his leader—

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on a point of order. The view that I share with many Canadians is that this is the most incompetent minister that we have ever had in that important portfolio.

Mr. Gillespie: Mr. Speaker, the hon. member sometimes demonstrates the distinction in this House of being an able parliamentarian, but every so often when he finds himself on the defensive, unfortunately, he loses that distinctiveness and becomes very personal. He seems to feel that by becoming personal he can somehow blur the issue and divert people's attention. What he does not realize is that he somehow diminishes himself. I suggest that the hon. member and some of his colleagues think about what I have said.

Mr. Baker (Grenville-Carleton): How did we get on to this high level? What about the amendment?

Mr. Gillespie: Mr. Speaker, the diminished leader of the Conservative party—

Mr. Baker (Grenville-Carleton): You are delaying the bill.

Mr. Gillespie: I have noticed that the hon. member is very uncomfortable—

The Acting Speaker (Mr. Turner): Order. I would suggest that the minister get back to the clause under discussion.

Some hon. Members: Hear, hear!

Mr. Gillespie: Thank you for your assistance, Mr. Speaker. I recognize, as we all have in this House, that when we deal with the really gut issues involving Petro-Canada the official opposition squirms and gets very uncomfortable. I suppose the

reason they heckle is that it takes their minds off their discomfort. We saw another example of that a moment ago when I accused the House leader for the opposition of sharing the view of the Leader of the Official Opposition. I can understand his discomfort because the Leader of the Opposition said yesterday that they were going to be moving out of Petro-Canada as an instrument.

Mr. Baker (Grenville-Carleton): That is right. He said that.

Mr. Gillespie: That is clearly the position of the opposition party. They do not recognize the need for a policy instrument for Canadian energy security.

Mr. Baker (Grenville-Carleton): We do, though, Alastair.

Mr. Gillespie: They would destroy the one significant policy instrument. I believe that Petro-Canada has a very important role to play from the point of view of importing foreign crude, whether it be Venezuelan, Mexican, or perhaps in the not too distant future, Norwegian. Petro-Canada has also been involved in discussions with Statoil, which is the Norwegian national oil company. This makes sense because Norway is a producing nation with a national oil company and is also a NATO ally of ours. My colleague, the Minister of National Defence (Mr. Danson) has discussed this aspect, this dimension of security with the Norwegians.

I believe that a Canadian national oil company working with the Norwegian oil company can help to develop and preserve Canadian energy security. I believe that there are a number of other opportunities where the Canadian national oil company can become effective as an importer of crude for Canadian refiners in providing Canadian energy security. However, I do not believe that the particular amendment which has been placed on the table by the New Democratic Party will advance this particular important dimension of Petro-Canada, for the reasons which I have already stated.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, the minister indicated his willingness to answer questions before he concluded his speech. I want to ask him about his statement that Petro-Canada has the power to do the things which have been proposed in the amendment put forward by my colleague, the hon. member for Sault Ste. Marie. That proposal calls for Petro-Canada to be the sole importer of oil. In view of the fact that the national petroleum corporation act under which Petro-Canada was set up gives Petro-Canada the power to be an importer of oil but not the sole importer of oil, what is the basis for the minister's contention that the power to make Petro-Canada the sole importer of oil already exists on the statute books of this country?

Mr. Gillespie: Mr. Speaker, the legislation creating Petro-Canada gives it the right, as the hon. member has said, to import foreign crude into Canada. I am not sure if we are talking about the same act, but the hon. member nods and I gather that he was referring to the same one. If the hon. member would read that act he would see that the powers are there to import foreign crude into Canada. I believe that those powers may increasingly be used. It will depend a great deal on the international situation and the degree to which the refiners in Canada establish a direct buying relationship with western hemisphere crude sources.

I did make it quite clear in my remarks before the committee that I did not see at the present time that it would be particularly useful to contemplate Petro-Canada—

Mr. Symes: Answer the question.

Mr. Gillespie: —negotiating for all the oil—and I made reference to that in my remarks a few moments ago—from, let us say, Middle Eastern sources, because I believe that there is an advantage in being able to pool and therefore to hedge our bets with respect to a very unstable part of the world. I am not sure whether we are on exactly the same point, but I think it is quite clear that Petro-Canada does have substantial powers, that it can be directed by the minister to enter into the importing of crude for use in Canada and by Canadian refineries.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I would like to ask one more question. The minister has now conceded that Petro-Canada only has the authority, under the legislation which set it up, to import oil if the government so decides and, if the legislation which is now before the House passes, if the allocation board so decides. Could the minister tell the House where the authority to make Petro-Canada the sole importer of oil is contained in any legislation, if the minister insists on rejecting this amendment proposed by the hon. member for Sault Ste. Marie?

Mr. Baker (Grenville-Carleton): It isn't; that is the point.

Mr. Gillespie: Mr. Speaker, I am not going to debate the fine print with the hon. member. Perhaps this involves a legal opinion. I would draw his attention to the fact that under the heading "Objects, Powers and Duties," section 6(*c*) of the Petro-Canada Act reads as follows:

—(*c*) to import, produce, transport, distribute, refine and market hydrocarbons of all descriptions;—

● (1650)

I would underline the word "import". Section 7(1), which deals with powers, reads as follows:

The corporation may do such things as it deems expedient for or conducive to the furtherance of the objects of the corporation, within and outside Canada, and, without restricting the generality of the foregoing, the corporation may,—

Then I would draw the attention of hon. members specifically to subsection (*f*):

—(*f*) enter into any arrangements with any government or authority that seem conducive to the attainment of the objects of the corporation and obtain from any such government or authority any rights, privileges and concessions, and carry out, exercise and comply with any such arrangements, rights, privileges and concessions;—

I think it is clear that there are very substantial powers vested in the corporation, but I would want to seek a legal opinion on whether the fine legal point that the hon. member makes is a valid one.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, on the last submission of the minister, I think he should indeed seek an opinion. He did not answer the question put by the hon. member. I think the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) has a point here.

I want to deal with one matter raised by the minister, namely his view that our party is opposed to Petro-Can, which he called "a significant policy instrument in Canadian imports". What is the meaning of the word "significant"? How is this instrument, Petro-Can, more significant than any other instrument available to the Canadian government?

For years and years the Canadian Commercial Corporation has been available to the government for the purpose of acquiring—acquiring supplies of oil, acquiring this, acquiring that.

Mr. Munro (Esquimalt-Saanich): Take supply and services for instance.

Mr. Baker (Grenville-Carleton): The Canadian Commercial Corporation has been in existence for years. I would ask hon. members to look at the objects of that corporation and see whether it does not allow it to do things that the government wishes done by Petro-Can. That power has existed for a long time. I would assume that the Canadian Commercial Corporation is a very "significant" corporation with respect to purchases.

In an aside, the hon. member for Esquimalt-Saanich (Mr. Munro) mentioned the action taken by Mr. Goyer when he was minister of supply and services. Without the benefit of a corporation he managed to import a large amount of oil. Of course, he suffered from a congenital inability to distinguish between good oil and bad oil, but that is not the issue. The issue is that he did without the benefit of a corporation like Petro-Can; Petro-Can did not even exist at that time, of course. The point is that the Government of Canada is the ultimate authority, or should be, not some Crown agency.

It occurs to us to wonder why it is necessary to put all the cards on the Petro-Can table when in fact the Government of Canada has the ultimate power. If it is important to Venezuela, if it is important to Mexico, if it is important to other countries in the world to deal on a government to government basis, why not deal on a government to government oil company basis with those countries? If the minister is trying to argue that the government of Venezuela will deal only with Petro-Can, I cannot accept that; I believe the government of Venezuela would be delighted to deal with the Government of Canada.

When the minister says that this is only an instrument but an instrument which we must have or the country suffers, then I say he has strayed far from the facts. This may be because he lacks the knowledge or sees a little politics in the issue.

There is another matter which I want to deal with very quickly. With or without Petro-Can, in the absence of a system that can lead us to self-sufficiency in this country, can the minister make any guarantees that we will be free from break-up or interruption of importation? The answer is no. With or without Petro-Can, is the government prepared to say, as I asked in the course of the debate on Petro-Can, that those in this country who depend on imported oil can rely on an appropriate price? The government has not said that. The question was asked recently by the Leader of the Opposition but it was evaded. The minister cannot give that kind of assurance and, if he did, he would be misleading the House.

The situation is the same whether we are dealing with or without Petro-Can. From what I have heard in this House from the minister and others, competition for supply governs price. Who in this House, including the minister, is prepared to say that there will be a certain price or a certain supply with or without Petro-Can? Certainly not the minister; he knows that much.

It is important that we understand and that the minister understand that Petro-Can certainly can be an instrument to import, but to put it ahead, in terms of its resources, of the Government of Canada, to put it ahead of the Canadian Commercial Corporation, or to put it ahead of the minister, is, I suggest, stretching credibility to the utmost.

Mr. Gillespie: Are you dealing with the amendment?

Mr. Danson: This is the worst House leader we have ever had.

Mr. Baker (Grenville-Carleton): As the minister knows, last Friday we were prepared to have this matter completed but the hon. member for Fort William (Mr. McRae) got into the act and extended the debate, much to the chagrin of the minister. I ask the minister to examine the course of the debate in order to ensure that he does not mislead himself, and therefore mislead the House, on the number of speakers. I think it is important that the House and the country know that this bill was held up in committee for two full days.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Vancouver-Kingsway (Mrs. Holt)—Canadian Radio-Television and Telecommunications Commission—Representation on commission; the hon. member for Dauphin (Mr. Ritchie)—Official Languages—Alleged improper designation of "bilingual"; the hon. member for Broadview (Mr. Rae)—Health and Welfare—Funding of medical care program.

PRIVATE MEMBERS' MOTIONS

[*English*]

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

Shall notice of motion No. 7 stand?

[*Translation*]

Mr. Pinard: Mr. Speaker, I would like to dispense with your reading at length the preceding notices of motions. I think there is unanimous consent to proceed now to motion No. 20 and that all preceding notices of motions be allowed to stand and retain their precedence.

[*English*]

Mr. Herbert: Mr. Speaker, I suggest this would be an opportune time to put the first three items we are passing over as first call.

● (1700)

The Acting Speaker (Mr. Ethier): Shall notice of motion No. 7 stand at the request of the government?

Some hon. Members: Stand.

Mr. Herbert: No.

The Acting Speaker (Mr. Ethier): Shall notice of motion No. 9 stand at the request of the government?

Some hon. Members: Stand.

Mr. Herbert: No.

The Acting Speaker (Mr. Ethier): Shall notice of motion No. 19 stand at the request of the government?

Some hon. Members: Stand.

Mr. Herbert: No.

* * *

SUPPLEMENTARY RETIREMENT BENEFITS ACT

ADVISABILITY OF AMENDMENT RESPECTING EXTENSION OF SERVICE

Mr. J. M. Forrestall (Dartmouth-Halifax East) moved:

That, in the opinion of this House, the government should consider the advisability of introducing legislation to amend the Supplementary Retirement Benefits Act so that former Canadian armed forces personnel who must accept a release date calculated by the department and who find they are one, two or three days short of a completed full year of service, and therefore ineligible for benefits under the SRBA for that year and also do not benefit from compounding of the indexing factor for subsequent years, could complete the year in question by being credited one extra day for every leap-year of service.

He said: Mr. Speaker, this is a matter which has at one time or another been before all members of parliament who have

Canadian armed forces bases in their ridings and who have a number of retired servicemen living in their constituencies.

When a member of the Canadian armed forces nears retirement, particularly when he is in his last year of service, he gives some thought to the date of his release. Frequently that date of release is calculated by the member in question in consultation with departmental officials on the basis of his having completed a full number of years; for instance, 25, 26, 27 and so on. However, there is a situation that occurs more often than is necessary. When a member of the Canadian armed forces retires and commences drawing his retirement allowance, both his pension and his entitlement with respect to indexing, if that is applicable, he can find that whereas he thought he had served 27 years, he has served only 26 years and 364 days. In other words, he is one day short of 27 years. I have eight or ten examples but there are two examples I wish to put on the record. By the department's own admission there are "numerous" incidents of this nature.

In the calculation of a member's entitlement, there is some conflict as to whether the Julian calendar count is the appropriate method. Where it is used, the actual number of days served is calculated. In the case of its being an unacceptable method of calculation, the years are counted as they appear normally, disregarding additional days picked up during leap years. There are not a lot of these situations but there are some. The cost of rectifying this situation would be negligible, but in terms of the moral injustice we do to members of the Canadian armed forces by causing them the loss of one full year because they have missed one day, the cost is great.

This injustice is difficult to understand, particularly when it is in the competence of this House to correct. What I suggest is a way to restore the benefit of a full year's service to these servicemen when they have 364, 363 or 362 days' service. One might even include service of 361 days, assuming that most members of the Canadian armed forces to whom this would be important served more than 24 years. Indeed, all cases that have come to my attention are matters in excess of 25 years.

In each case the individual has given me permission to cite his case. First is the case of R. C. Howell. He is a constituent of mine and lives in the city of Dartmouth. He retired from the Canadian armed forces in 1966, if my memory serves me correctly. To determine when he would retire, I quote from his certificate of service in the Royal Canadian Navy. This is form C.N.S. 1243. Mr. Howell's service is quite clear. He is a veteran. It shows the heading: "All engagements, including N.C.S., to be noted in these columns". The various columns read: "Date of actually volunteering; Commencement of time; Period volunteered for". Then I come to a column headed "Commencement of time" relating to his last year's service. It reads "6 May 1965"; under the heading "period volunteered for" it says "one year". In other words, to and including 6 May 1966. After having considered very carefully where he stood, and believing he had 27 years of service, Mr. Howell was advised on that date that he only had 26 years and 364 days.

I now quote from a letter written by the Minister of National Defence (Mr. Danson):

As stated in previous correspondence there is no legal way whereby authority could be obtained to change the date of a person's release as to extend the duration of service in the regular force by one day.

When computing total years of service, partial years are calculated by days and each full year by year. Leap-years are not taken into consideration by providing extra days.

The letter goes on to deal with Chief Petty Officer Howell's leave and his entitlements. Before continuing to read from the letter, I remind hon. members that the "commencement of time" was May 6, 1965, "period of time" was one year, and "date of release" was May 6, 1966. Further on the minister's letter reads:

It is unfortunate that the release date of May 4, 1967 resulted in his total service being only 26 years 364 days. CPO Howell was aware of his release date and years of service but had no reason at that time to question it.

● (1710)

Of course he had no reason to question it. After consultation with the appropriate authorities, national defence, he believed that he had served a full 27 years. I again quote:

The requirement for full completed years of service could not be foreseen and the loss of one day's service at that time had no effect on his financial benefits.

Once a release date has been established, it cannot be adjusted within existing regulations. Any change would require legislation which particularly would not be acceptable in today's climate concerning escalation of pensions generally.

In view of this, unfortunately, your constituent's date of release will remain as May 4, 1967 and he will qualify for benefits under the Supplementary Retirement Benefits Act in 1980 on reaching age 59.

For the sake of one day, my constituent would have been receiving his supplementary benefits in 1979 at age 58. That was the basis of his calculations. The minister shot it down.

There is the very similar case of Chief Petty Officer (retired) S. J. King, another constituent of mine in Dartmouth. The circumstances are almost identical. He sought assurance with regard to a date which would have given him a full 27 years. He was given that assurance and on that basis made his plans to retire. He was subsequently advised, on having signed his release, that he did not have 27 years but 26 years, 364 days. He too was rejected by the ministry, this time for different reasons. As personalities change, you get different interpretations and approaches. The consequences were the same.

In both these cases and in other cases I have sought departmental opinions and other opinions as to whether retired members of the Canadian armed forces could elect to serve one, two or three days in the reserve forces, whatever was required for them to qualify for that one extra day. I was shot down on those grounds. I was also shot down on grounds of sheer compassion, understanding and good will.

I bring this matter before the House in the form of a notice of motion to seek guidance and assistance. Surely this fund can treat retired members of the Canadian armed forces with every advantage. In the case of Mr. Howell and Mr. King, they served with distinction during World War II and in the years following the war. Both had excellent careers yet this is the way they are being rewarded.

[Mr. Forrestall.]

I can suggest a simple remedy. For the purpose of calculating pension entitlement we should use the Julian calendar, which I understand counts the extra day during leap year. When calculating both these careers with that method, you find they have served an extra four or five days. However, they are still being denied this benefit. I admit this is technically correct. I can find no way around it. Nevertheless, losing that one day which would entitle them to full benefits means they will not get their full entitlement one year earlier. It is as a result of this stumbling block.

This is not an earth shattering matter. However, it would give to the Canadian armed forces the perspective that we in this chamber are not callous or indifferent to individual needs. Sometimes with a little care, effort and concern for the welfare of members of the Canadian armed forces, a matter like this can be corrected.

I hope that in bringing this forward members who have had similar experiences will take up the cudgel, privately or otherwise, to the end that if present situations cannot be redressed to the satisfaction of individuals concerned, at least in the future we can devise a scheme that does not seem to be in conflict.

I have heard of sufficient cases to wonder whether the choice is not deliberate. Possibly someone on a Friday afternoon could unthinkingly decide that an effective date of release would be March 29, for example, because the Monday would be April 1, when in fact a March 30 release date was required in order to complete the full year. There are at least two or three documented cases like that. I sometimes wonder whether it is accidental, just a bit of laziness somewhere along the line, or whether in fact it is deliberate.

On examination, I find that this does not constitute a substantial saving to the fund, but it is a major irritant to those directly concerned. It undermines the confidence that members of the Canadian armed forces have in their departmental authorities, in government and in parliament when they consistently see situations like this with no corrective action being taken.

I hope hon. members will give serious consideration to this matter. I look forward to hearing the views not only of my colleague from Esquimalt-Saanich (Mr. Munro) but of those on the government side as to whether this or some other method of correcting this anomaly and injustice can be found.

Mr. Leonard Hopkins (Renfrew North-Nipissing East): Mr. Speaker, this is a knotty problem before us this afternoon, one where a person lacks one, two or three days of service in order to qualify for a benefit.

● (1720)

This motion proposes that Canadian armed forces personnel who fall short by a few days of the minimum completed years of service required to permit them to receive pension indexing payments under the Supplementary Retirement Benefits Act at a date earlier than the normal age of 60, be permitted,

where necessary, to have included in their service extra days of service from previous leap years.

Before discussing the substance of the motion I would like to explain that under the present legislation, indexing payments for forces personnel normally begin at age 60; however, in the case of persons who have completed 30 years of service, indexing begins at age 55; for persons with 29 complete years of service, indexing commences at age 56; with 28 complete years at age 57, and so on until age 60.

An exception is made in the case of persons who can no longer serve because of disability; in these cases the indexing payments begin right away, and the age and service requirement just described is not applicable. There is also an exception, of course, for the pensions paid to the survivors of the members of the military. Here again the indexation is not governed by the age and service formula but begins right away.

Hon. members will recall that these provisions came into effect as a result of legislation enacted in the fall of 1973. At that time there was substantial agreement that similar contributions and similar benefits should apply for retired members of the forces, the RCMP, the public service and former members of the House of Commons.

The determination of the age at which payment of annuity increases would begin for retired members of the forces and RCMP who had reached 55 with 30 or more years of pensionable service was designed to remove the anomaly created by earlier amendments to the Public Service Superannuation Act, which permitted public servants to retire on unreduced annuities after reaching age 55 with 30 or more years of pensionable service. Because under the armed forces plan an individual can retire generally between age 44 and 55 and receive an unreduced annuity, it was considered equitable to begin payment of cost of living increases to the military, the RCMP and former members of the House of Commons at the same age as the public servant can receive an unreduced annuity.

It is my understanding that the members of the Canadian armed forces pay $1.80 into the Canadian forces superannuation fund for every dollar the government puts into the fund. This is done in order to finance the earlier retirement of a considerable number of armed forces personnel, for example; those who retire in their forties or early fifties. This was done several years ago in order to make the Canadian forces superannuation fund financially viable and capable of supporting pensions that start at this earlier date instead of at a later date, say, for people in the public service of Canada, the RCMP etc., and it has worked out to be a financially workable plan.

Turning to the motion itself, it is, of course, true that a statutory change would be necessary to allow the arrangement which is proposed. The Interpretation Act provides the instructions generally necessary to reckon periods of time. Under the existing terms of the Supplementary Retirement Benefits Act, to permit the extra days which a person provided service during a number of previous leap-years to count as service for this purpose would be contrary to the act; rulings under the various federal pension statutes over the years have confirmed that the extra day in a leap-year is only countable when the person retires during a leap-year and has to his or her credit less than a complete year's service for that year. To permit the counting of a number of leap-year days for purposes of the Supplementary Retirement Benefits Act would be inconsistent with the methods for calculating total service under the various pension statutes for purposes of determining the amount of the individual's basic pension.

While such an amendment would have limited application to a particular group of individuals, it would really be establishing a new "qualifying" date for these people and a different group of individuals would undoubtedly be concerned that they had missed qualifying by two or three more days.

Finally, the effects of falling short of a complete year by a few days are not as severe as the motion indicates. As an example, an individual with 30 complete years of service would receive his or her first indexing adjustment on his fifty-fifth birthday and the amount payable would reflect the cumulative total of all increases authorized since retirement. The individual with slightly less than 30 years would have to wait until his or her fifty-sixth birthday for the first adjustment, but it also would include all increases authorized since retirement, including the amount that would have been payable on the fifty-fifth birthday had the person had 30 years of service.

The foregoing, of course, relates only to the application of the present terms of the Supplementary Retirement Benefits Act. I would point out that the day preceding the tabling of this motion the House gave first reading to Bill C-12, an act to amend the Supplementary Retirement Benefits Act, the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the Royal Canadian Mounted Police Superannuation Act and the Members of Parliament Retiring Allowances Act. Statute Law (Superannuation) Amendment Act, 1978 proposes amendments which defer the commencement of indexing payments to all retiring persons other than those retiring on grounds of disability, in the forces, RCMP or the public service to age 60. Therefore, if the proposals in Bill C-12 are enacted, the question of counting leap year days will be removed for future retirements.

Again, the Supplementary Retirement Benefits Act currently provides for indexing of the basic annuity based on the consumer price index. As I have said, the Supplementary Retirement Benefits Act applies not only to Canadian forces annuitants but also to former public service employees, the RCMP, MPs, etc. Currently, indexing commences when the annuitant's age, added to complete years of service, totals 85. All annuitants age 60 and over receive indexing. Bill C-12 amending the Supplementary Retirement Benefits Act will defer indexing to age 60 for future retirees.

In view of the government's intention to defer indexing to age 60, the Department of National Defence feels that a special provision to give indexing a year early to a select few annuitants who will receive indexing prior to age 60 in any case cannot be supported.

The proposal of counting extra days for each leap year served is not without its problems. It would create complaints from people under other pension provisions. A calendar year includes the number of days in the period commencing January 1 and ending December 31. Everyone lives and works through the same number of days whether it happens to be 365 or 366. To make a special provision to count an extra day for those who did not complete the full calendar year would not be fair to those who did complete the full calendar year. Moreover, by implementing this scheme, all that would be achieved is removing one group that is now one, two or three days short of qualifying under the Supplementary Retirement Benefits Act and creating another group one, two or three days short.

There is no loss of the compounding of the indexing factor in any case. When a person becomes eligible for indexing, the indexing factor applied is the compounded indexing from the year of retirement. This can be illustrated quite easily. For example, take a person who retired in 1973 and who becomes eligible for indexing in 1978. The consumer price index which has been applied during the period is as follows: January 1, 1974, 6.7 per cent; January 1, 1975, 10.1 per cent; January 1, 1976, 11.3 per cent; January 1, 1977, 8.6 per cent, January 1, 1978, 7.2 per cent; for a simple total of 43.9 per cent. While the simple total of the indexing factor is 43.9 per cent, the indexing factor actually applied is the compounded indexing factor of 52.2 per cent.

• (1730)

The Department of National Defence contends that as the Supplementary Retirement Benefits Act provided for benefits to those already retired, these annuitants received a benefit they could not have anticipated. There is no loss of withholding of a benefit involved in these cases. Rather, there is an entitlement to a new benefit within the provisions of the legislation passed by parliament.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I should like to contribute to this debate because I too have a constituent who finds himself in this anomalous, difficult position of having served for 27 years and 364 days and finding therefore that the application for indexing to his pension has been delayed by the extra year, although he is in default by only one day. It does strike me as being more than strange that this should have occurred in such a large number of instances.

The particular person who brought this to my attention is a Major Lloyd Fox whose regimental number is 612104307, retired in 1971. Prior to his retirement, since there was a certain flexibility allowed to him which was made known to him under the DROs of February 5, 1969, published in routine orders at Cold Lake, Alberta, where he was then serving, in paragraph 19 on the whole business of terminal leave, people are asked to bring it to the attention of the orderly room with sufficient notice so that the calculations can be made.

It is not just a coincidence, it is a fortunate coincidence that Major Fox retained this particular order because on it he made the calculation which he and the orderly room clerk had made to decide when he should go off on leave so as to determine the actual 28 years that he had planned, and was within his rights to plan, for his retirement. On that particular page of the routine orders of February 5, 1969, are the calculations that were made by Major Fox and the orderly room clerk of the day. They decided between them, having looked at the man's record, that there would be 149 days of rehabilitation leave, 30 days of annual leave, and 30 days of special leave, to which he would be entitled. Calculating back from that, it would mean that his leave should start on August 15, 1970, and the final date of his service, after having exhausted these leave entitlements, would be March 11, 1971.

Those figures appear quite clearly, not just August 15, 1970, but the final date of March 11, 1971, and it is ringed. All the little calculations that were made at the time by the member of the force, Major Fox, and the orderly room clerk, are here.

When the leave authorization was drawn up, two changes were made in the typing which are absolutely unaccountable, unless one were to look perhaps at the Saturdays and Sundays that might have intervened. But the calculations that Major Fox made on this form brought it to an exact figure of 28 years, which is a simple calculation and which would have entitled him, at the age of 57, because of the application of the 85 formula to members of the armed services, to receive the indexation. However, the change was made from March 11 as the final date to March 10. There was no explanation at all as to why that change was made, and while this leave authorization was approved by the captain—presumably he must have been the adjutant at the time—there was no indication that Major Fox himself had to sign the document. He must have seen it because he probably went off the base with it in his pocket, but there is no undertaking, so far as I can see, on the copy of the document I have that he went through it with a fine tooth comb and detected at the time these discrepancies between the calculations he made and the dates that were eventually used.

I notice that my friend, the hon. member for Dartmouth-Halifax East (Mr. Forrestall), has suggested that we might be able to introduce that lost day or that gained day in leap-year into the calculations in order to make up that day for those who are short by one, two or three days but who have served either four, eight or 12 years and would therefore have gained an extra day because of the leap year. That is a device that might have been used, and the hon. member for Renfrew North-Nipissing East (Mr. Hopkins) made quite a case for it being impossible to use this particular formula. But it is not that which worries me in this case; it is the fact that there were dates, presumably agreed upon on one day and then which appeared on the standard form of leave authorization granted to Major Fox a few days later. Those little errors, and they must have been errors, appear. The calculation was made that it would amount to exactly 28 years of service, but then it turns out to be one day short.

It was a couple of years later, so far as I know, that Major Fox raised this matter with the Department of National Defence because of the pension aspect. He exchanged several

letters between that time and now without getting any satisfaction at all, the department relying wholly on the leave authorization certificate and allowing no credence whatsoever to the calculations which were made on the routine orders, a copy of which, as I said, he managed to have kept where it can be seen how the calculations were made and where the actual dates appear which were used for leave starting on August 15, 1970 and the final date of the man's service on March 11, 1971. Yet those dates were not transferred to the leave form, with the result that the man is one day short. We might even look at this as a breach of trust. I do not know where to lay the blame, but it seems to me that it is more than just a coincidence this should have happened.

• (1740)

One should consider the facility available to public servants. They are still allowed to retire one day before the end of a calendar year. For example, their retirement date can be set on December 30, 1978, so that they are one day in retirement and may enjoy, two days later, the full indexing which would come on their pensions in 1979. When one considers that, one realizes it is playing with the intent and the letter of the law so that an advantage can be taken. I cannot see why that same one-day leniency should not be available to Major Fox and the CPO's we have heard about from the hon. member for Dartmouth-Halifax East.

Not only are members of the public service allowed to retire on December 30 so that they will be on retirement on December 31, and thereby two days later on January 1 have a pension which is indexed the following year, but there are some members who are deemed to have retired, for example on December 30, 1978, and continue as fully paid members of the public service on into 1979 because they are engaged in a particular work or study which should not be interrupted. This deeming to have retired aspect of the matter also is an argument in favour of allowing a certain amount of latitude, a greater amount of latitude, or even some latitude of one, two or three days in the calculations which have occurred in the case of Major Fox and these other instances. When it can be done for public servants, I fail to see why it should not be done for members of the armed forces.

One should consider the deliberate attempt made by members to find out what day they can go on leave or whether they have that even number. The 28-year service record makes life easier for every one all round. It enables members of the forces to draw their indexed pensions at the age of 57. At the present time, with only 27 years and 364 days of service, they must wait until they are 58 years of age. This is verging on cruel and unusual punishment. I wonder, as did the hon. member for Dartmouth-Halifax East, whether there is something deliberate here in recalculating so as to deprive some members of the entitlement. They would have been prepared to spend another day, two days or three days in service so as to be absolutely certain they would draw the entitlement to which they were due when the time came.

I feel there is a case to be made. I have not done a calculation myself. Perhaps I should have done a little more homework on this, but I wonder, in the calculation of the rehabilitation, annual and special leave, whether due allowance was made for the Labour Day holiday, Thanksgiving in October, Christmas in December, New Year's in January, and if the hon. member for Winnipeg North Centre (Mr. Knowles) had his way, there might have been even a February 15 holiday in there which should have been entered and might not have been calculated.

Mr. Knowles (Winnipeg North Centre): We are glad to have your support.

Mr. Munro (Esquimalt-Saanich): Just as an aside, I would have argued in favour of June 15 as Magna Carta Day, a day to celebrate a great occasion in the constitutional history of our country. However, Major Fox would not have been able to benefit from June 15 because he thought his term of service ended on March 11, yet the date on the papers turned out to be March 10. Matters which are that close in their calculations, particularly when deliberate and conscientious efforts were made by conscientious people to calculate things properly, and then to be done out of an entitlement which might have been regulated easily by another day or two of service on the base before setting off on leave, deserve much more attention than has been given by the Minister of National Defence (Mr. Danson) and his staff.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I commend the hon. member for Dartmouth-Halifax East (Mr. Forrestall) for his concern about these marginal cases. His proposal is one which certainly is imaginative. But whether or not that particular proposal is accepted, I hope a way can be found so that these cases of obvious injustice can be corrected.

I hope the House will not mind it if I say that this reference to counting leap year days reminds me of something which happened here some years ago. I do not want to rob the member of being the originator of the use of leap year days, but I recall an incident back in 1947 when Mr. King was still prime minister. He was a great person for celebrating anniversaries and getting everything noted about his place in history.

It was announced one day that there would be an occasion to celebrate his having been prime minister for 20 years. It occurred in 1947. Just by chance, President Truman was here that day. We gathered out in the rotunda, and the portraits of Mr. Borden and Mr. King, which now hang on either side of the front door of this chamber, were hung that day in the rotunda. But some of us were curious as to how Mr. King could determine that that was the twentieth anniversary of his becoming prime minister, since he had been in and out of office. Of course we got from the prime minister's office the answer that he had counted the days. He had counted 20 times 365 which was 7,300, but he added five days for the five leap years which would occur in the 20-year period. So, on that day he had been prime minister for 7,305 days. I am sure the hon. member for Dartmouth-Halifax East will be pleased to know

that he has an idea which was used in the first place by Mr. Mackenzie King.

The other thought which occurred to me as a way to get extra days of service would be to send some of these people around the world, but make sure they go from west to east all the time, and every time they cross the international date-line they will get in an extra day. Maybe that would do it. The levity with which I suggested that is not to be charged against my support of the proposition that a way should be found to correct these cases, and I am with the hon. member in that respect. However, time is going on and I must not use it up.

● (1750)

I rise mainly to say, as the hon. member for Dartmouth-Halifax East and as the hon. member for Esquimalt-Saanich (Mr. Munro) know, since we are all members of the same committee, we are now dealing with Bill C-12 in which something far more serious faces us, namely, the loss of indexing of pensions for anyone between the ages of 55 and 60. The case has been made very well before us in the committee by representatives of the armed forces, of the RCMP, of the air traffic controllers and so on, that people who are forced to retire by the nature of their contracts or for health reasons, should not be denied the right of the early indexing of their pensions.

It has also been drawn to our attention, or we got this by asking questions, that the amount of money to be saved by cutting out this indexation is very small compared with the amount of money to be saved, for example, by cutting out the indexing that is possible on January 1 for persons who retire late in the year.

However, I am stretching the rule a bit by discussing here what we were discussing out in the committee, but it is relevant, and I think this is an opportunity for us to show to those who are concerned about this that some of us believe the whole question of denying indexing to persons who have to leave their employment because of the nature of a contract is unfair and should be reviewed. Even if it is difficult for the hon. member to sell his precise formula I hope he is winning support, and I hope the hon. member for Esquimalt-Saanich is winning support for the reconsideration of this bill in respect of unfair cases. I hope that among all of us we can do something to save this principle for those who are called upon to leave their positions early.

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I will be brief as I do not want to be the one to talk out this motion, and I certainly hope the government gives it serious consideration. I have noticed lately that there has been a downgrading of veterans' and servicemen's rights under this government. There have been many examples lately of delays in respect of veterans' appeals and applications for disability pension increases, many of which have to wait for six months to a year to be heard. In addition there has been an easing out of veterans from the civil service at age 55. There have been many sad cases of paraplegics, amputee veterans, being eased out of their jobs. This is an indication of the double standard of this government in dealing with veterans and servicemen.

If you are a retired general you will likely be given an exhaulted position in the government. The chief of staff who retired recently has been made the chairman of the CNR. He is probably drawing a $35,000 a year pension and has now been given a $75,000 a year job. I know of a lieutenant-general who retired recently and was given an executive position with Canada Air. I know of many colonels, generals and so forth, who are being taken back after retirement, as consultants. On the other hand the government is easing out paraplegics and fooling around with a couple of days when looking at some servicemen's pensions. This government very definitely has a double standard when dealing with veterans and servicemen. I hope it will give this motion very serious consideration. Let us get it to the committee, or wherever it has to go. Let the government give some evidence here that it is not out to downgrade veterans' and servicemen's rights.

Mr. Lloyd Francis (Ottawa West): Mr. Speaker, I, too, want to join with those who have congratulated the mover of the motion on his general intent in focusing on some difficult cases under the administrative and escalation provisions of military pensions.

I want to make one fundamental point that has not been made. In reading the motion of the hon. member I find one part to be incomprehensible, and I question whether it is factually correct. The motion states in part:

> That, in the opinion of this House, the government should consider the advisability of introducing legislation to amend the Supplementary Retirement Benefits Act so that former Canadian armed forces personnel who must accept a release date calculated by the department and who find they are one, two or three days short of a completed full year of service, and therefore ineligible for benefits under the S.R.B.A. for that year and also do not benefit from compounding of the indexing factor for subsequent years—

That is the point on which I am in fundamental disagreement with the hon. member. As I understand it, if his provision were adopted, exactly the same amount would be paid one year later on the man's birthday, and what is at stake is the timing of the initial payment; whether it should be made in advance or later. I have conferred with people responsible for administering the act and I understand there is no loss in escalation over a period of time.

Mr. Knowles (Winnipeg North Centre): But the compounding makes a difference.

Mr. Francis: With all due respect to the hon. member, I understand it is exactly the same amount. If a man were to retire on his 55th birthday with 30 years' service short of one day, under the hon. member's proposition it would be granted to him, whereas under the existing legislation on his 56th birthday exactly the same amount would be paid. In other words, the same amount would be paid in the two cases.

An hon. Member: No.

Mr. Francis: With all respect to the hon. member, I have talked with administrators of the plan and this is what I am

told. Nevertheless, whether I am right or the hon. member is right really does not make a difference. There are inequities which always result from an application of a rule. If we adopt a rule now to take care of a man with 364 days' service, then what about the man with 363 days? If we adopt a rule to protect a man with 363 days, or 362 days, what about the man with 361 days? There is always a problem.

An hon. Member: It's incredible the way hon. members talk these bills out.

Mr. Francis: The hon. member did a fair amount of talking. He talked for a little over 20 minutes. He seems to have some difficulty in accepting the idea that I should express my thoughts in the two and a half minutes which remain to me.

An hon. Member: You people are incredible.

Mr. Francis: I would welcome the hon. member's participation at the committee. I know he has attended, but we are now looking at Bill C-12. We looked at indexing in the bill before us at the committee.

If the motion in its present form were passed it would, by the year 1983, make the entire provision that is the subject of this motion irrelevant, because age, and age alone, would be the consideration. Years of service would not be a consideration in eligibility for escalation. We do have a problem as pointed out by those who testified before the committee. The hon. member for Winnipeg North Centre (Mr. Knowles) has pointed this out very well, particularly in respect of members of the RCMP or air traffic controllers who are compulsorily retired prior to age 60. The representations made before the committee for continuation of indexing were strong, and I believe we will have to look hard at this aspect of the problem.

The fact remains that what is before us is a provision dealing with indexing as a general principle, and a means of financing it. The problem of particular groups who are compulsorily retired before age 60 is only in part answered by a pension. What really is involved is a program by the Government of Canada to provide alternative employment, and to make sure that employment in the public service of Canada, as an example, is available to such persons on equal terms, which is not always the case in present circumstances. The problem—

[*Translation*]

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

At six o'clock the House took recess.

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

ENERGY SUPPLIES EMERGENCY ACT, 1979

MEASURE TO CONSERVE STOCKS

The House resumed consideration of Bill C-42, to provide a means to conserve the supplies of energy within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada, as reported (with amendments) from the Standing Committee on National Resources and Public Works, and motion No. 5 (Mr. Symes).

Mr. Walter Baker (Grenville-Carleton): Just before the dinner hour, Mr. Speaker, the House was dealing with this amendment following a speech by the minister which seemed to imply that, in his view, the only way the Government of Canada could appropriately deal with foreign governments involving the supply of imported petroleum into our country was through the instrument of Petro-Canada, Petro-Can, or whatever it is called.

In the course of his remarks the minister attempted to leave the impression with the House of Commons that he, as minister, the Government of Canada, and the Minister of Supply and Services (Mr. De Bané) as part of the apparatus of the government, on the one hand was unable to deal effectively with foreign countries, and that there was no agency other than Petro-Canada by which Canada could assure itself of a supply of imported petroleum products, aside from exploration, drilling, and all the other things outlined in the statute dealing with Petro-Canada.

I advanced the theory as respectfully as I could, in the face of the opinion advanced by the minister, that the minister was wrong. During the dinner hour I went to the library to assure myself that indeed he was wrong. Had the minister been right, then I would have had some information upon which I could withdraw my submission. This followed an interesting conversation in the lobby with the hon. member for Nanaimo-Cowichin-The Islands (Mr. Douglas) in which we discussed this problem. I did not want to accuse the minister of being wrong if he is right.

● (2010)

I looked into the statute books and found the statute which established the Canadian Commercial Corporation a considerable time ago. For the information of the House, this is in the Revised Statutes of Canada, Chapter 35. This parliament established a corporation, an acquisition corporation because that is its basic thrust, which has the power to import and export goods and services. The statute indicates how broad and powerful the corporation is in terms of importing everything, including petroleum. Section 3(3) of the bill reads as follows:

> The corporation is for all its purposes an agent of Her Majesty and its powers may be exercised only as an agent of Her Majesty.

That is not for any commercial purpose but as an agent of Her Majesty. The board of directors is appointed by the

governor in council and the purposes for which the corporation was established are set out, one of which is to obtain goods and commodities outside Canada. I do not see how that can exclude petroleum.

Section 4(1)(*c*) reads as follows:

—to exercise on behalf and under the direction of the minister any powers or functions vested in the minister by any other act that authorizes the minister to employ the corporation to exercise them;

In Section 3(2) it states:

The corporation shall comply with any general or special direction given by the governor in council—

An order in council issued by the minister can cause the corporation to do things on behalf of the government with reference to carrying out its purposes. I realize that since the terms and conditions of the act which established Petro-Canada have escaped the minister, this may also have escaped his attention. The point is that for the purpose of securing a supply of imported petroleum from Venezuela, Mexico or wherever, the government has had for a considerable time an ample source of power in the Canadian Commercial Corporation.

The minister comes close to misleading this House of Commons, Mr. Speaker.

Mr. Gillespie: Oh, no. What a long bow!

Mr. Baker (Grenville-Carleton): He did not quite mislead the House but he comes close when he advances the theory that it is only through or under the auspices of this corporation that security of supply of imported petroleum can be achieved. If that is the position of the government, then I say the minister is misleading the House because there is ample authority and ample power elsewhere.

The question that Canadians are asking themselves—aside from the existence of an acquisition company of the government—the issue is how, for ten or 12 years, and in the face of an emergency which occurred in 1973, this government has failed to act, so that just prior to a time when we are going to be facing the people of the country they ask for these extraordinary powers to face an emergency which even its most constructive critics indicate does not exist. I would call the attention of the minister to the column in the Ottawa *Journal* this evening by Mr. W. A. Wilson.

We do not deny the government the right to power to allocate in emergencies. We have indicated our position in relation to this bill. We do not like what the government is attempting to do. That is the situation, Mr. Speaker. I wanted to be sure that I was not in any way misinterpreting the thrust of the minister's remarks. If I do, I apologize to him. The minister has come awfully close to misleading the House with reference to these powers to ensure that the oil is there.

Given that situation, where there is authority in the Canadian Commercial Corporation to do this kind of importing, what ought parliament to do about the amendment of the New Democratic Party, which they advanced in accordance with their principles, that Petro-Canada ought to become the sole

implement for dealing with the situation. That is the purport of the amendment. I suggest a good case has to be advanced, and it has not been advanced thus far, on the question of why the Canadian Commercial Corporation, which has power to act, should be stripped of its power in favour of another corporation. That is a very simple proposition.

The minister dealt with the question of delay. He has an unusually short memory, but it is shorter in regard to this bill than it has ever been before. I think he has forgotten that it was he who called a vote last week on Tuesday, on the first amendment. Had he not done so, he would have paved the way for the consideration of this bill by the end of the week. The minister will recall that the hon. member for Fort William (Mr. McRae) spoke on this amendment on Friday, continuing the debate. I am advised that, in committee, members of the government wasted two days of the proceedings. I have the feeling that there is something about this bill that they want to keep before the House. I would be the last to suggest that it had anything to do with a general election.

The minister said the amendments had been dealt with in committee. He was quite right. I am sure he knows that while a small group of members deal with amendments in committee, under the rules it has always been the right of the House to deal with amendments here, so that members not on the committee can speak to them.

We have the sorry spectacle of a minister at the end of the reign of this government, a government that has neglected the problems of supplying this country with its own fuel, now crying out for help from sources which the minister knows—

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. member but his allotted time has expired. He may continue if there is unanimous consent. Is there unanimous consent?

Some hon. Members: No.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I wish to support the amendment of the hon. member for Sault Ste. Marie (Mr. Symes) in view of the fact that we are going to face difficulties in the oil industry. We cannot anticipate what those difficulties will be, but they will come about.

It is appropriate that in this bill Petro-Canada be given the powers for allocation that are suggested. In the interests of the Canadian public, I see no reason for the minister not to agree that Petro-Canada should be given the power to be the sole importer if conditions demand.

● (2020)

This bill has been asked for, in the event of an emergency. The general pattern of our importations should also be considered. There are seven major oil companies that operate in this country.

We have seen Exxon telling Canadian branch plants that because the need in the United States is greater, there will be a shortage of oil for Imperial's customers in Canada. I was surprised to hear the Leader of the Opposition (Mr. Clark)

defending Exxon's position against Imperial Oil. To defend Exxon against the Canadian company which is diverting some of the oil to the United States which was allocated to Canada, and for Canadians to support that position is simply beyond me. I am sure all of us can see the difficulties ahead. We can all see that it will be absolutely necessary for the government to have the power to designate Petro-Canada as its sole importer.

In Canada we have been fairly well treated with regard to prices in recent years. In many ways Canadians have been treated more fairly than citizens south of the border.

A week or so ago I was in Georgia, and I learned that 23 flights were cancelled. It was not because companies wanted to drop flights, as has been suggested, it was because there was a shortage of gasoline. Eastern Airlines, American Airlines and National Airlines cancelled numerous flights, and Delta followed suit shortly after. That situation has not happened in Canada.

In 1973 when there was a shortage of gasoline in the United States, cars were lined up everywhere. That problem did not exist in Canada. We did not have that situation because we have a number of shyster companies, independent companies, and companies not directly connected to the big seven. In looking at world prices we see that we have enjoyed some reasonable prices in this part of the country because of that fact. Independent companies, such as the Golden Eagle company, were buying on the spot market when there was a surplus. They had obtained sizeable amounts of gasoline which they made available to the public in competition with the major oil companies.

During a taxi ride which I took in Georgia the taxi driver informed me that the price of gasoline had gone up 17 cents that day. Even if one looks at the price of a U.S. gallon in comparison to the price of a Canadian gallon, we are not that badly off. I suggest we are not that badly off because of competition from some independent operators. There are cut rate gas stations which have only a pump and a little shack, and there are the Seven Sisters service stations where there are more extensive facilities. There is no competition in effect among the major oil companies in this country.

As I drive to work there are self service stations on one side of the street selling gasoline one cent less than the station on the other side of the street where you can get your windshield cleaned, tires pumped up, and other services such as checking the oil, battery, and other things. There is no competition, but the minister will find one of these days that those small service stations will not be serviced because there will not be any gasoline available to them. This will result in an immediate increase in price. These oil companies are very close to a cartel operation.

If Petro-Canada were in a position of being declared the sole importer of crude oil to Canada, the argument which the Conservatives have made in this debate that there may be an undercapacity of refineries, obviously will be a factor. It will not be too difficult for Shell to say that their refineries are working to capacity, that they cannot take in any more crude oil than they are using for their own operations, and every company will be able to say the same thing. It is not hard to imagine if Petro-Canada wished it could take over Come-By-Chance, that white elephant on the east coast, and put it into operation so that gas would be distributed uniformly to customers, on the basis of the sunset arrangements. These things will happen.

Undoubtedly there will be difficulties in other oil producing countries. There may be trouble in Venezuela. There may be trouble in the Persian Gulf. In fact there may be trouble in any country supplying oil to the major countries of the world. This government has not thought the problem through. It has only reached the stage of protecting the oil company, the customer has been forgotten. The government is more interested in getting the 9,000 barrels of crude oil for Imperial Oil. Some customers will be left out. It is my guess that it will not be the regular Esso pumps on the street that will be left out. It will be some of the cut-rate gas stations that have kept my price and your price down and have protected the price to customers in eastern Canada. If it had not been for the cut-rate service stations, prices would have risen a long time ago.

The people at the Shell stations, Texaco stations or Imperial Oil stations have always been offended when their company sells to other operators who are buying in bulk on a first come first serve basis on surplus stocks. They have objected to not being given an opportunity to integrate prices so that the advantage will flow not only to the cut-rate operators but to themselves. The government will have to ensure that gas will be made available to those companies if they are to operate on behalf of the Canadian public, and maintain some competition in the industry.

I am not sure how the minister thinks he can go to Venezuela and compete on the market via Petro-Canada or through any agency we may send there. It is true that if the government wishes to make deals directly with those countries, it may be able to do so. However, I am surprised at what I hear from the minister concerning his arrangements with Mexico. A week or so ago I talked with some of the top officials in Mexico. My impression was that Mexico did not want to sell oil to us or to the United States. In fact it just did not want to sell oil. What they were interested in doing was making deals with other countries, Canada in particular, for services rather than cash.

● (2030)

In talking with some of their officials, my impression was that they were interested in an exchange program with Canada whereby we would provide them with agricultural know-how, implements and equipment. In return, they would give us oil on a barter basis. If that is to be the case, it is necessary that we look at oil arrangements with other oil companies.

It would be far better if Petro-Canada were the sole importer of oil into Canada rather than taking the word of the international corporations as to what they are paying in Iran, Saudi Arabia, Kuwait, or wherever they may do their buying. If we are going to work on a trade arrangement with countries

interested in going into the open market to sell their oil, we must know the latest arrangements of the various companies involved in the purchase of oil.

The minister said that we are protected with FIRA. I would like him to indicate one company we have been protected against by FIRA. That has not worked very well. It is almost like giving a permit to bootleggers to bootleg on a temporary basis in every outlet in town, and refusing to give them a permanent licence.

There is no question but that we must establish Petro-Can as the sole distributor of oil in eastern Canada. As has been pointed out already, it may be necessary to integrate western oil. Money should be poured into developing alternate sources within Canada. That is where the expenditures should be made. We may have to pool our resources both offshore and domestic, and have a price for this blend that will be set in the interests of consumers.

Earlier someone talked about shirts. A good shirt today costs $22. We still import shirts from Taiwan, Korea and Japan. These have a relatively low labour cost. Even with the increase in the value of their money against the Canadian dollar, they can still sell their shirts to Canadian distributors for $5 or $6. We have suggested that the tariff should be removed on shirts.

Any relationship to the price the consumer pays for a shirt and the cost of importing it is purely accidental. We have no knowledge of that as we are not able to supervise it in any way. The same is true of oil. In many cases the companies not only market the oil, but haul it in their own ships. If they increase the shipping cost, obviously that affects the end price. Any such arrangement is detrimental to Canadian consumers.

In the United States there is rationing as far as many of the industrial producers are concerned. Aeroplane gas is rationed. It is likely that on the eastern seaboard, gas for automobiles will be rationed. This does not mean there is a real scarcity, only a contrived scarcity. The free enterprise system in the United States allows the corporations to skin everyone as long as they get away with it. As Mr. McLean used to say, pay as little as possible, get as much as you can, and that is free enterprise. That is what the oil companies do. Over the years the Seven Sisters have grown fat and incompetent because of the way they skinned the public.

Our energy minister is going to expose us to these problems unless he is willing to get into the oil business, not only on an emergency basis, and do this through the aegis of Petro-Canada.

There could be a shortage. Anything is apt to happen with the major producers of oil. If it does, it will reflect on those multinational corporations in the oil business. It was pointed out earlier that, if you are incorporated in the United States, you have an obligation to that country because they might take away your incorporation or do something else that is nasty, such as increase your taxes. The same could happen to a branch plant operating in Canada.

[Mr. Peters.]

What happened with Imperial Oil was not because it did not want to import 100 per cent of its commitment from Exxon. It had a market for that oil in Canada. They could not tell Exxon, the parent corporation, to supply them with this or that amount. Originally the amount was to be reduced by 25,000 barrels a day and this has now been cut to 9,000 barrels a day. Someone will have to suffer. If Canada wishes to take on the multinational corporations, it can do it in no better way than through Petro-Can. No other agency has the same clout. They can do no better than assure eastern Canada that the shortfall can be made up by imported oil which will be equitably distributed to all outlets in Canada.

As far as refining capacity is concerned, let us look at Come-By-Chance. In that installation Canada will have a ready-made refinery with a large capacity which could be used to ensure that Canadians no longer get hosed by the multinational corporations. There would be competitive enterprise in the oil industry—

● (2040)

The Acting Speaker (Mr. Ethier): Order. Is the House ready for the question?

Some hon. Members: Question!

The Acting Speaker (Mr. Ethier): The hon. member for Algoma (Mr. Foster).

Some hon. Members: Filibuster!

Mr. Maurice Foster (Algoma): Mr. Speaker, there are a couple of points I should like to make. The amendment before us is designed so that when there is an emergency oil allocation situation, Petro-Canada could move in and become the sole purchaser of oil.

Some hon. Members: Hear, hear!

Mr. Foster: It seems to me the value of Petro-Canada lies, really, in doing exactly what it is presently doing in the case of Mexico and what is proposed in the case of Venezuela. This was one of the purposes of the corporation when the bill was put through the House some years ago, that is, to allow Petro-Canada to deal state by state with oil supplies. At the time we did not know these provisions would be needed so soon but at present they are greatly to our advantage. Oil requirements from abroad have been drawn down from about 800,000 barrels a day to about 500,000. During the Christmas recess the minister negotiated with Mexico for the purchase of 100,000 barrels a day to come on stream, and recently the decision was taken to instruct the corporation to go ahead and negotiate with Venezuela for a direct contract to provide 100,000 barrels a day from that source. It seems to me this is the best way in which Petro-Canada could function.

The amendment proposes that the governor in council should empower Petro-Canada to become the sole purchasing agency. In my view, if we were in an emergency situation we would want all available supplies to come on stream from offshore. Further paper transactions would only complicate the

process. Rather than follow such a course, I believe we should be setting up long-term arrangements along the lines of those with Mexico and contemplated with Venezuela. If we look around the world we find that most of the OPEC countries operate through state-controlled oil companies. Rather than inject Petro-Canada into a situation of shortage, which would only cause confusion, we should be using the corporation along the lines already envisaged, that is, to negotiate for long-term supply contracts. If the multinationals want to enter into back-to-back contracts for transporting the oil, that is perhaps acceptable as long as we have the long-term contracts, state by state, to ensure supplies to Canada.

In the circumstances, I do not see the advantage of this amendment. It would be bringing in confusing factors at a time when supplies were already threatened.

The Conservative party, as we know, has stated its intention to destroy Petro-Canada and utilize the services of the Canadian Commercial Corporation or some similar agency to arrange supplies of oil. Such a system would have at least one obvious disadvantage inasmuch as the Canadian Commercial Corporation has no expertise in the field of transportation of oil or, indeed, for the negotiation of long-term supplies. On the other hand, Petro-Canada has already entered into arrangements with Petro-Ven, the Venezuelan national petroleum company, with regard to the supply of oil, and will be putting together long-term supply contracts.

If this were strictly a question of putting out tenders for supplies, the Department of Supply and Services could do the job, but there is obviously a great deal more involved. At this point, Petro-Canada, even though it is a new corporation, is building up expertise in negotiating these long-term contracts and it would obviously be to our disadvantage to place the Canadian Commercial Corporation in the position of trying to deal with a commodity with which they had no experience. On the other hand, as I say, Petro-Canada would have a representative on the energy supply allocation board and on the standing committee set up under the International Energy Agency. Canada would have good representation on these agencies and international bodies, placing it in a good position to know what action should be taken in the event of an emergency. So we have these two points to consider.

We are, of course, aware of the naive and lackadaisical attitude taken by the government of Ontario. A few nights ago in the committee they were saying there was no real need for this bill. They never complained while the former bill was in position during the past several years; they never complained about the preparations which were going on during those years. They certainly put before the committee a very naive suggestion that the bill was not needed and that we could carry out exchanges with the United States. Mr. Speaker, if we look at the situation in the United States we find they are importing about half of their crude oil requirement, something like eight million barrels a day out of the 16 million barrels they use. It is not hard to imagine a scenario in which U.S. stocks would be run down very quickly and none would be available for swaps with Canada.

The policy advocated by the Leader of the Opposition (Mr. Clark) is to build a larger pipeline without ensuring supplies from the tar sands deposits or elsewhere so that adequate use might be made of the line.

I see the official opposition are suggesting they are ready, now, to vote on this amendment. I would not want to delay our progress by any further remarks so I shall be pleased to sit down and allow the amendment to come to a vote.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Ethier): The hon. member for Sault Ste. Marie.

Mr. Knowles (Winnipeg North Centre): Yorkton-Melville.

Mr. Nystrom: Sault Ste. Marie is beautiful but Yorkton is more beautiful.

Mr. Knowles (Winnipeg North Centre): Come, come!

Mr. Nystrom: I was certainly referring to the town, not the hon. member.

Some hon. Members: Oh, oh!

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, after that enthusiastic speech by the hon. member for Algoma (Mr. Foster) I just want to make one or two comments.

Mr. Benjamin: It was a real barnstormer.

An hon. Member: A funeral dirge!

• (2050)

Mr. Nystrom: Anyway, I am very surprised at the minister, at his parliamentary secretary, and at the government opposite. One would think from their rhetoric in the House that the hon. member for Sault Ste. Marie (Mr. Symes) has moved a motion that is radical and revolutionary and that will turn the world upside down, but I remind them that the hon. member for Sault Ste. Marie has moved a motion which just adds another option to what the government can do. It says that Petro-Can can be the sole purchaser of oil in an emergency. There is nothing obligatory about that, it just says they can be. Judging from some of the comments that were made by the hon. member for Algoma one would think that this motion is a radical motion which would tie the hands of the government.

I would like to make one or two other comments about what the minister himself said. He criticized members on this side of the House for moving a motion which had already been put forward in committee, and he said it is repetitive. If all we did in the House was original and new, perhaps the House would be a lot further ahead, but that is not the case. There are many things we discuss in the House which are repetitive. I think the point made by the hon. member for Sault Ste. Marie is a damn good point which should be repeated over and over again until the government finally accepts it.

The minister hangs his hat on the word "may". He said that Petro-Can under the Petro-Canada Act may go into negotiations with other countries to purchase oil and crude directly

from offshore, and he said that was good enough. I do not think "may" is good enough. I think Petro-Can needs the power in an emergency to be the sole purchaser for this country because other companies have contracts. This time we are in trouble with Exxon, but next time we might have trouble with one of the other seven Big Sisters, and if the government does not have the power under this emergency act to make Petro-Can the sole purchaser of oil from offshore, we may have the same problem with some of the other companies that we are having with Exxon this time around. I think that is why the hon. member for Sault Ste. Marie was very wise and had a lot of foresight when he moved this amendment to the bill.

The other thing I find passing strange is that the Minister of Energy, Mines and Resources (Mr. Gillespie), who has spent a great deal of time talking about these multinational companies, about what great things Petro-Can will do, about the very progressive policy of the government, will not accept the reasonable and moderate amendment put to the House by the hon. member for Sault Ste. Marie. I wonder whether or not the Liberal party is just interested in appearing to be the great nationalist party, just appearing to be a party that is fighting multinational oil companies, just trying to appear as the great progressive party. I can see one of the members opposite nodding his head in the affirmative, a member from the back benches opposite. I suspect that they are doing this because the election is coming in a few weeks time and they want to appear to be the party that is interested in protecting the Canadian people against the multinational corporations.

Then, of course, we have the Conservative party. The House leader of that party said that the Canadian Commercial Corporation can purchase the oil in case of an emergency. I ask him: if we have an emergency, why should we not give Petro-Can the power to do the purchasing? Because it is Petro-Can that will have the expertise and the people who know the energy and oil business, not the Canadian Commercial Corporation, and it is Petro-Can which will be in a position to move fast. So if they grant the possibility that this might have to be done, why do they not concede the point that the best agency to do it is Petro-Can? The thinking of the Conservative party does not make sense.

The other point I want to make about the Progressive Conservative party is that they seem to have fits any time you mention Petro-Can. They are on the record as wanting to get rid of Petro-Can. That is the only little tool we have to fight for Canada as a country in the world scene when it comes to oil, but they want to get rid of it. They want to kill the baby before it is properly matured. I see that the hon. member for Northumberland-Durham (Mr. Lawrence) said the following last Friday when criticizing Petro-Can. He said he is against it:

—solely and simply because Petro-Canada people have no experience and no negotiating expertise in this field whatsoever.

What kind of faith do they have in our country? Do they not have any faith in Canada or in Canadians?

[Mr. Nystrom.]

I remember when the provincial government in Saskatchewan decided three years ago to nationalize the major part of the potash industry. The Conservative and Liberal parties in my province said we do not have the expertise, we do not know how to do it. They said that if you tried to nationalize potash, the purchaser of potash would go elsewhere to buy the product. They did not recognize, of course, that the other biggest source of potash is Soviet Russia.

I tell you, Mr. Speaker, that over 40 per cent of the potash in Saskatchewan is now publicly owned, and it is not someone in the United States who is president of the company. It is a farm boy from south Regina who is president of that company. The headquarters of the company are in Saskatoon. The vice-president is also from Saskatchewan. The management is from our own province, the profits we are making are staying in our province, and the head office jobs are in our province. That company is already, after less than three years, the largest potash company in the world, with the exception of Soviet Russia.

Some hon. Members: Hear, hear!

Mr. Nystrom: So I say to the Conservatives: do you not have any faith in Canada? Do you not have any faith in Canadians? You only seem to have faith in Exxon and in the seven Big Sisters in the oil world. I know that is the answer of the Conservatives from Alberta and I am afraid it is the answer of the Conservative party from one part of this country to the other.

I want to say in conclusion that I hope the tame, small pussycat sitting across the way with the big Cheshire cat grin will sharpen his teeth, turn into a tiger and start practising the things he is talking about. I hope he will move to strengthen Petro-Can so as to make Petro-Can into the largest oil company in this country. I hope that, in co-operation with the provinces, he will make sure that the oil and gas industries in Canada are taken under public ownership where they belong.

For the life of me I do not see why non-renewable resources should be in the hands of private interests, particularly of companies which are not even Canadian. But I do not think it is much use substituting the decisions made in a foreign corporate boardroom and placing them in a Canadian corporate boardroom. If the minister wants to show real leadership, he should negotiate with the provinces with the objective of making sure that the majority of gas and oil in this country is taken under public ownership. I assure him that at least one province in this country, namely, Saskatchewan, would be only too happy to join him in ensuring that gas and oil are owned by Canadians and are owned collectively by society as a whole.

For these reasons I urge the government to accept the motion put forward by the hon. member for Sault Ste. Marie. It is moderate and reasonable, and in time of emergency Petro-Can would be the sole purchasing agency for gas and oil in this country.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I would like to say a few words on this amendment. I think perhaps we

have not looked at all at the problems that are associated with the shortage of oil and with the problems in Iran. We have to remember that Iran, which most western countries had considered to be a stable country, turned out not to be very stable but a real pushover. There are those who consider Iran is in for much more turmoil down the road before things settle there. The facts are that Imperial Oil, which was buying oil directly from Venezuela, had lost its share to its parent company, Exxon, and the *force majeure* applied by Exxon was against Canadian interests. But we benefited from other aspects, and this is not something that Petro-Can would be able to do.

● (2100)

There were a number of Canadian subsidiaries of international oil companies which were dependent on Iranian oil, and curtailment of crude supplies since the Khomeini revolt began has caused most of them serious dislocations and logistical problems. British Petroleum Ltd., which got about 30 per cent of its crude supplies from Iran, was forced to impose *force majeure*, rationing on deliveries to affiliates, including BP Canada Ltd. Petrofina Canada Ltd., thought to use 100 per cent Iranian crude for its refinery feedstock, also has had a problem in obtaining crude supplies because its parent, Petrofina Belgium, buys 25 per cent of its crude supplies from British Petroleum. Gulf Canada, Ltd. depended entirely on Iranian oil for its Point Tupper, Nova Scotia, refinery. But once production slowed in Iran, Gulf, through its parent, Gulf Oil Corporation, managed to load an ultra large crude carrier in Kuwait with 2.3 million barrels of crude, enough to keep Point Tupper going for six weeks. Last week another half-loaded ultra large carrier left Kuwait also headed for Point Tupper. Had we had direct-to-direct dealings, this oil would not have been available for Canadian use and certainly we would have lost. Presumably the minister is intending to make all or nearly all deals directly with Venezuela. All the indications are that Mexico will not be a major producer of oil for some years down the road.

When President Carter went looking for oil and gas on his visit to Mexico, he pretty well got the cold shoulder. The Mexicans said that they were not likely to give much oil to the United States, and in fact they berated the Americans for not taking their overflow in surplus population which they have in much greater quantity than oil.

What about the value of oil swaps directly or direct contracts from one government company to another? Should we take and put our eggs in the Venezuelan basket? We must remember that Venezuela has cut back its oil production 50 per cent since 1970. So the question arises as to whether there will be further cuts in Venezuelan oil because Venezuelans are worried about their supplies. Is Venezuela any more of a stable country than Iran was? On the surface it is not nearly as stable.

I should like to refer to the Euromoney Currency Report wherein it refers to Venezuela. It reads as follows:

> President Carlos Andreas Perez, elected in 1973 to preside over the OPEC bonanza, leaves office on March 12. He is succeeded by the Christian Democrats of Luis Herrara Campins. Retrenchment and austerity are certain. Exchange controls and import restrictions will be the first line of defence for the bolivar but no Venezuelan expects them to work. Devaluation is necessary to cut the import bill. Political necessity dictates it should be soon, while the blame can be put on Perez. Expect a significant depreciation, say 15 per cent, perhaps in March. Where possible, local borrowing should be increased.
>
> The ambitious industrial plans are running late and massively over budget. The trade account was in the red by almost $3 billion last year—the first deficit for 50 years.

It is relatively greater than ours. This is with all the Venezuelan oil to sell. It continues:

> The Central Bank estimates the current account shortfall was $6 billion, and foreign exchange reserves have fallen despite an orgy of foreign borrowing. Import growth remains around 25 per cent. Inflation is widely reckoned at 20 per cent although officially suppressed by price controls and subsidies, which Herrera is pledged to reduce. The money supply is only just being brought under control, decelerating to a 15 per cent growth rate. The largest commercial bank, BND, has become a spectacular casualty, nationalized to prevent a liquidity crisis turning into a widespread banking collapse.

That is the state of Venezuela. It does not have a particularly strong economy. As we realize, in South American countries there are frequent changes in government of a military type. To load on Petro-Canada all of the responsibilities of buying oil offshore seems to be putting all our eggs in one basket. It is not necessarily the best way out. That is all I should like to say about this amendment before the House.

Mr. Deputy Speaker: Order, please. Is the House ready for the question?

Some hon. Members: Question.

Mr. Deputy Speaker: The question is on motion No. 5 standing in the name of the hon. member for Sault Ste. Marie (Mr. Symes). All those in favour of the motion will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

Mr. Lawrence: Mr. Speaker, certainly we have no objection to a vote being held tonight if it is the wish of the House that we should. Quite frankly it was not our wish in the first place that we have recorded votes or that the whole question of this be delayed. This was the insistence of the minister that this matter be delayed by recorded votes. As far as we are concerned, I see no difficulty if the House wishes to move the matter along. Certainly this is in accordance with our wishes. We have no desire to see the matter delayed. This has been more the machinations of the minister which have delayed the matter to this point.

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, with respect to the point of order raised by the hon. member for Northumberland-Durham (Mr. Lawrence), may I say there was an understanding reached today among the House leaders

or representatives of the House leaders that at this point which we have now reached we would defer the votes until three o'clock tomorrow. I do not make anything out of it, but the person who was there representing the House leader of the official opposition was party to that agreement. I realize it was not made into a House order, but it was discussed. There was a discussion as to whether the vote would be at eight o'clock tomorrow night or at three o'clock tomorrow afternoon. We agreed among the four of us to support the holding of votes at three o'clock tomorrow. Unless there is an awfully good reason for altering that understanding, I believe we should stay with it.

Mr. Cafik: Mr. Speaker, although I was not personally party to the earlier discussion among the House leaders, it is my understanding that this matter of a deferred vote was discussed. We on the government side are quite prepared to vote after orders of the day are called tomorrow if it is agreed by members of the House. If in fact the House would prefer to have the vote now, we are prepared to do that. However, we do not want to be accused of not living up to the agreement reached by the party leaders. It is a difficult position for us to be in. We are extremely anxious to deal with this bill and to have the vote as soon as possible. But it was discussed by the House leaders earlier, and we think, in order to keep the integrity of those discussions intact, that it may be better to have the vote tomorrow after orders of the day are called.

Mr. Lawrence: Mr. Speaker, certainly if the government, in line with what it has been doing with this bill, wants the matter delayed until tomorrow, and if the New Democratic Party wants it delayed until tomorrow—

Some hon. Members: Oh, oh!

Mr. Lawrence: —we would be very happy to accede, but I think it should go on the record that it has not been the opposition which has been delaying passage of this bill.

Mr. Baker (Grenville-Carleton): Mr. Speaker, it is obvious that all of us are ready for the vote tonight, but the hon. member for Winnipeg North Centre (Mr. Knowles) has indicated there were some discussions at a House leaders' meeting which I did not attend. All of us are ready, as we have been since Tuesday of last week to complete the report stage of this bill. However, with this understanding of the hon. member for Winnipeg North Centre, I think it might be appropriate, given the readiness of all of us, to leave the matter until tomorrow.

● (2110)

[*Translation*]

Mr. Pinard: Mr. Speaker, I too attended the meeting of House leaders and can confirm that indeed all the House leaders of every party, the New Democratic Party, the Progressive Conservative party and the government, agreed that should this situation occur the votes should be deferred and be made the first item on the order of the day tomorrow.

[Mr. Knowles (Winnipeg North Centre).]

However, I want to remind the hon. member for Grenville-Carleton (Mr. Baker) that the report stage was not completed last Tuesday, in fact, last Friday afternoon we heard only the speakers of the Progressive Conservative party and the New Democratic Party so that, if we are still at the report stage this evening, that is today and not last Tuesday as the hon. member for Grenville-Carleton maintains, it certainly is not the fault of the government.

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I should like to just say another word, and I shall do so in the lowest key I can. I did not like the suggestion of the hon. member for Northumberland-Durham (Mr. Lawrence) that the Liberals or the NDP were trying to put this vote off. The suggestion was made at a House leaders' meeting today that the vote be at eight o'clock tomorrow night, and it was not made by me. I suggest that we reached an agreement that it be at three, and some members have made their plans accordingly. I just think that the agreement that was reached should stand.

Mr. Cafik: In light of the discussion that has taken place, Mr. Speaker, I suggest that it would be agreeable to all parties that the vote be deferred until tomorrow after orders of the day have been called, and that it will be the first item of business after that. I think we can proceed to other items presently before the House.

An hon. Member: Call it ten o'clock.

Mr. Deputy Speaker: Order, please. Hon. members will understand that whatever negotiations or agreements are reached among House leaders, unless they are made orders of the House they are not binding on all members. At this time I would have to inquire whether there is unanimous consent in respect of deferring the vote until tomorrow at three o'clock. If there is unanimous consent we can make that an order. The best way to do this, if there is a consensus, is to defer the vote on motion No. 5.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I thought I had indicated that from the point of view of this party that was agreeable to us. From the statements that have been made it is apparent that we are all prepared to vote tonight, but we are agreeable to deferring the vote until tomorrow. I hope that helps you in respect of what you have to do, Mr. Speaker. I just want to indicate that I understand that the next piece of legislation the government intends to bring forward is the excise tax legislation. The hon. member for Edmonton West (Mr. Lambert) is here and prepared to proceed with that bill when it is called.

Mr. Deputy Speaker: Is there unanimous consent, pursuant to Standing Order 75(11), that a recorded division on motion No. 5 be deferred, and that the recorded division on report stage amendments to Bill C-42 be taken after the calling of orders of the day tomorrow?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Agreed, and so ordered.

* * *

EXCISE TAX ACT

MEASURE TO AMEND

Hon. Alastair Gillespie (for the Minister of Finance) moved that Bill C-38, to amend the Excise Tax Act, be read the second time and referred to a committee of the whole.

Mr. Alan Martin (Parliamentary Secretary to Minister of Finance): Mr. Speaker, this bill contains the necessary legislative amendments to implement the excise tax changes the Minister of Finance (Mr. Chrétien) proposed in his budget of November 16, 1978, and in the ways and means motion of January 25, 1979. The most important of these is the proposal to reduce the present 12 per cent federal sales tax to 9 per cent. The new rate will apply to all goods now taxable at the 12 per cent rate, other than alcohol and tobacco products. The 5 per cent rate on building materials and the specific taxes on gasoline and diesel fuel will not be affected by the reduction in the general rate. This measure will reduce federal sales taxes by approximately $1 billion in fiscal year 1979-80.

It is estimated that the cut in the federal sales tax rate will reduce the increase in the consumer price index by one half of 1 per cent. This measure, along with other federal initiatives, will have a direct impact on wage costs through cost of living clauses, and a moderating effect on new settlements. The reduction in the sales tax rate from 12 per cent to 9 per cent will increase the real purchasing power of Canadians by about $1 billion. It will do this in a way that will lead to reduced inflation.

A number of measures contained in this bill are technical provisions which are intended to aid administration or to correct minor anomalies. These include a provision which requires manufacturers of petroleum products to pay taxes on gasoline and diesel fuel at the time of delivery to retail outlets and the conversion of these taxes to metric units.

I should mention, Mr. Speaker, that one of the technical provisions pertains to the time of payment of the sales tax on goods produced by a taxpayer for his own use. Traditionally, the tax on such goods has been paid at the time when the goods were appropriated for his own use. In a recent Federal Court case at the trial division it became apparent that there is a technical deficiency in the law in that it does not specify the time when the tax becomes payable. This particular provision will codify what the government and the business community have believed to be the law for the past 55 years.

Hon. members will recall the comments made by the Minister of Finance during his budget address on the need to modify tax measures which have failed to achieve their objective.

Certain of the energy conservation measures introduced in the Excise Tax Act have not achieved the desired effect. Others have caused unacceptable competitive distortions. In particular, the special levies on marine engines, motorcycles, and aircraft have had a minimal impact on energy conservation, but have weighed heavily upon persons who market these goods in Canada.

On the other side, the exemption from the 5 per cent sales tax for storm doors and windows has exempted most glass used in new construction even though glass is less energy efficient than materials used in solid wall construction, which are taxable. The amendments proposed in Bill C-38 will rationalize the application of the tax to all of these goods.

There are other energy conservation measures in this bill. The exemption for thermal insulation is clarified by specifying a minimum thermal resistance or "R" value. Solar water heaters are added to the list of goods which qualify for exemption from federal sales tax. The government supports the general view that the use of solar heat is one of the more promising areas of energy conservation. It is hoped that this exemption will stimulate the sale and development of this product. Finally, the seven cents per gallon special excise tax on gasoline is being extended to apply to aviation gasoline.

• (2120)

In his budget speech the Minister of Finance also announced changes in the air transportation tax imposed on the transportation of persons by air. The proceeds from this tax are allocated to the Department of Transport for financing the air transportation program. The present tax on transportation of a person by air within the taxation area, that is, Canada, the United States and the islands of St. Pierre and Miquelon, will be increased from 8 per cent with a maximum of $8, to 15 per cent with a maximum of $15. For international flights, the tax will be increased from $8 to $12, with provision in the legislation for a maximum tax of $15.

The proposed increases in the air transportation tax rates will be effective on April 1, 1979, for tickets purchased in Canada, and on July 1, 1979, for tickets purchased outside of Canada. These increases will reduce the public costs of financing the air transportation program by an estimated $72 million in fiscal year 1979-80. This change is a major step in the program to shift the cost of financing the air program from all taxpayers to users of the air system.

It is proposed that the air transportation tax be converted to a user charge levied on the carriers under the Aeronautics Act at some future time. The date of conversion and the structure of the user charge will be determined by consultation between the Department of Transport and the air industry. In order to facilitate that conversion, Bill C-38 will amend the Excise Tax Act to provide authority to repeal the air transportation tax on a date to be fixed by order of the governor in council, subject to negative resolution of parliament.

In conclusion, Mr. Speaker, this bill provides a significant reduction in the general rate of manufacturers' sales tax. It reaffirms the government's commitment to energy conserva-

tion, and it provides for increased cost recovery in the provision of services to the air transportation industry. In addition, the bill includes a number of technical amendments which will eliminate anomalies and facilitate administration.

The proposals contained in this bill have received a wide degree of support from the general public as well as the professional community. Since most of the proposed changes are effective as of the budget night, they have already been fully incorporated in the administration of the Excise Tax Act by Revenue Canada. Individual Canadians have seen the prices of many of their household products and automobiles reduced as a result of the general sales tax cut. In order to give these changes the force of law, and in order to remove any public uncertainty about their continuation, I urge hon. members to approve this bill as soon as possible.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, on November 16, 1978, the Minister of Finance (Mr. Chrétien) and the government, backed by row upon serried row of government supporters, were applauding themselves, but to me it sounded more like two or three boys whistling their way past the graveyard at midnight. After all, it was one month after the byelections across Canada when the government got thoroughly whipped. Then we saw changes in the budget. We will get to the income tax in Bill C-37 in due course, but we are going to talk about Bill C-38 now.

Here, we saw in a half-hearted way the government engaging in a tax cut through a 3 per cent rebate in the manufacturers' sales tax on a certain number of items. These items did not include building materials which are kept at 5 per cent. I must say that if the government had been in any way interested in stimulating industry and employment in this country, it would have gone after a tax cut of 5 per cent on building materials. We all know that outside of a limited number of centres in Canada, house building and residential construction have taken a nose dive.

House building is at an absolute standstill except for places like Edmonton and Calgary in Alberta, and perhaps some expansion in Saskatchewan and some in Toronto, but not a great deal. The industry is ill, and this should have provided an incentive to the government to take away the 5 per cent sales tax on building materials. However, it chose not to do that.

Let us go through the ways and means motion and see just what is provided. First of all, it imposes 12 per cent on alcohol and wines, even including wines produced in Canada. Considering what the government of Ontario has done to wine and spirit prices right now, I think that it is absolutely scandalous the way our governments are performing, particularly with regard to wine. And, incidentally, the provincial governments are doing this without the sanction of their Houses.

I am not saying anything new as far as I am concerned. I think that it has been a monstrous performance by the provincial governments for 50 years in so far as they impose the increases in prices on products which are essentially being taxed without a word of consent or otherwise by the consumers and the people of the country. Never has there been such a flagrant example of the principle of taxation without representation as in the case of alcoholic spirits and wines in this country.

Then there is a confession. Item No. 2 in the ways and means motion is an abject confession of failure. However, the hon. gentleman who is responsible for this particular tax is no longer here. He sits in the wings in Toronto and is known as that "blue eyed" man. I think that this is a legacy of the 1973-1974 era when there was a 5 per cent special excise tax on large motorcycles and 10 per cent special excise tax on boat motors exceeding 20 horsepower. I believe that there is one new government minister who, I am sure, would remember that incident very much, because at that time there was a question of a leak when there was a change in the budgetary proposal with regard to the size of the motors.

At the time it was ecologically right to impose these taxes because we were facing an energy crisis, and the object was to cut down on the consumption of gasoline. Therefore it was decided that the government would cut out large motorcycles, outboard motors in excess of 20 horsepower, and all but the smallest of aircraft used perhaps in the north where there was a special circumstance. The then minister of finance had to be kicked all around this House by members on both sides in order to amend this proposal. Now, according to the Minister of Energy, Mines and Resources (Mr. Gillespie) with regard to Bill C-42, we face an even greater shortage of energy. But the government proposes to repeal this tax, thereby confessing that it had nothing to do with the conservation of energy outside of the fact that it was a special tax which raised incidental revenue. It was a worthless exercise, but now it enables the Minister of Finance (Mr. Chrétien) to claim that he is a jolly good fellow for removing it. It was an empty gesture, ill-conceived, and now is quite readily being removed.

● (2130)

The third item of the ways and means motion deals with the metrification of gasoline and it delimits the tax per litre. That is nothing new and is simply a technical amendment. We now know that gasoline shall be sold as "gasoline, premium, no lead", "gasoline, grade 1", "gasoline, grade 2" and "gasoline, no lead" and "diesel fuel". Then we have the metrification of aviation gasoline which I do not think should concern us too much.

Section 5 delimits specifically the authority to impose a penalty on default of payment of tax due within the time limit specified in the regulations. A person who files a false or defective tax refund claim in regard to gasoline will be liable to a jail sentence. I have not read what the penalty will be but I am sure there will be a provision for a jail sentence. This government loves to put people in jail.

Next we have the technical amendments. The most interesting is paragraph 10 of the ways and means motion which is an amendment to part XVIII or schedule III, dealing with building materials. I remember when a former minister of finance, Mr. Turner, brought in an amendment with regard to thermal insulation materials designed exclusively for the insu-

lation of buildings. That is what was inserted in the act, but we had trouble with the definition. It took two years to convince the government, on behalf of a manufacturer in Edmonton and one elsewhere, that wheat straw compressed under high pressure steam, a form of insulation board manufactured for the last 30 years, was in fact an insulating material. Because it stood up and could be used between the joists in steel buildings and in roofs as purely an insulating material, the department decided that while it was originally an insulating product, it was also designed to give strength to the building. It therefore did not qualify.

I made two direct appeals, going up the scale through officials in the department, through the deputy minister, to the minister. I provided samples of the material and descriptive literature and won a part concession, but the final answer was no. My constituents had to pay thousands and thousands of dollars which, of course, they in turn collected from their customers. Eventually, someone in the province of Quebec took a case to court. The court agreed with us, and then the department had to refund to my client and a number of other manufacturers of the same type of materials, the tax they had paid.

Strangely enough, Mr. Speaker, I have not been able to find any record of how much the department had to refund as a result of that errant interpretation, nor under what item the tax was refunded. When we reach this particular point in committee of the whole I trust that the parliamentary secretary will alert the minister and see that he is provided with the information I want.

We now have a much more precise definition. It may make sense. It would be interesting to know what types of insulating materials will now be excluded from this definition as it is worded.

There is one measure that is to the advantage of everybody. I do not suppose anyone had thought about how high the excise tax was on trailers that are used as homes. We have a very mobile population today, Mr. Speaker. People working in the oil fields, and on construction sites removed from major urban centres, live in these trailers year round. I suppose at one time they were deemed to be pleasure vehicles—something you took to the lake in summer. They were deemed to be a luxury item and as such attracted a 25 per cent tax on the sale or duty paid value.

The hon. member for Vegreville (Mr. Mazankowski) and the hon. member for Lisgar (Mr. Murta) will speak about the increase in the user tax and sales tax for people using Department of Transport installations. The parliamentary secretary had a lot to say at the beginning. I think he said there was going to be a cut of half of 1 per cent in the cost of living as a result of the reduction from 12 per cent to 9 per cent in the manufacturers sale tax. He then did not say how much the increase in the user tax at the airports will increase the cost of living by the increase in the cost of travel. Considering that the majority of travel in this country is by air, how much does he think the Ministry of Transport will collect as a result of that increase in tax? That is rather a substantial amount. Let us read paragraph 17:

● (2140)

The ad valorem tax imposed on the amount paid or payable for transportation of a person by air within the taxation area,—

That is Canada. The paragraph continues:

—as defined for purposes of part II of the said act, be increased to the lesser of 15 per cent and such amount as may be prescribed by order of the governor in council on the recommendation of the Minister of Transport.

Paragraph 18 of the ways and means motion reads:

The specific tax imposed on the amount paid or payable for transportation of a person by air from a point within the taxation area, as defined for purposes of part II of the said act, to a point outside of the taxation area—

That is from Canada to the United States. The paragraph continues:

—be increased to the lesser of $15.00 and such amount as may be prescribed by order of the governor in council on the recommendation of the Minister of Transport.

That is a substantial increase. In some of our airports in Canada this is downright taxation. It is not a user fee, it is downright confiscation. Take the Edmonton International Airport, for example. The daily passenger use of that terminal is far in excess of anything even estimated for 1985. Incoming passengers from abroad going through customs, for over a year and a half, until last June when some minor amendments were made, were handled just like cattle. We unload hogs and beef cattle at packing plants with greater respect than we handle passengers coming off planes late at night. We are told that people will have to put up with this situation until 1982 when the new facilities are expected to be in place. The traffic is increasing all the time and the conditions get worse. But what is happening? It is just like the Post Office, the service goes down but the fees go up.

If I say this applies in Edmonton, I say it applies in other air terminals as well. For example, the situation in Ottawa is terrible. For a national capital to have an air terminal with such poor facilities is ludicrous. There is insufficient parking for the public. In so far as the passengers are concerned they do not have proper facilities. Checking in is a mad scramble, and yet we are all to pay the same fees.

It is a pleasure to go into the Mirabel of the west at Calgary. This air terminal was supposed to cost something between $30 million and $40 million and came in at $138 million or $148 million. A good part of that was sheer incompetence and procrastination on the part of the Ministry of Transport because it took so long to build. With escalating costs, this business of stretch-out is a losing game in so far as government is concerned.

The government thinks it can stretch projects. This is what it has done in the city of Edmonton. The government says, "Defer for a year, stretch it out." But by doing this, in the end it costs maybe twice or three times as much. This is the shortsightedness of some government policies. This short sightedness not only applies to the federal government, it also applies to municipalities where some city councils have decid-

ed, for one reason or another, that they will push off certain needed improvements by reason of the fact that they say, "We will save a few mills", or they may think they can save half a mill on the municipal tax for the year in question. The only thing is that it will cost a mill or a mill and a half the following year, or two years later. This is total false economy. That is one of the worst practices that government at all levels in this country inflicts upon Canadian citizens. It is a shortsighted view, and in my opinion should not apply.

I come now to another area that has been drawn to my attention. It is unfortunate the government has not brought forward the appropriate measure for the finance committee to consider, the commodities tax, the whole of the manufacturers sales tax, not only the philosophy of it but its definition; the rigidity with which rulings are applied, and the horse and buggy age for which the Sales Tax Act schedules are usually applicable.

In another context, dealing with the Bank Act, I have always felt that we were not legislating for the future but were trying to legislate for the year of the quill pen. It is precisely that which we are doing with this particular act. As a matter of administration, under sales tax, clauses are split. One gets the most fantastic interpretations of the English language with the actual position of the words. If the Department of Finance drafters and the Department of Justice people who put together the legislative amendments to the schedules of the act do not carry out precisely with the language the intention of the Minister of Finance, then the whole purpose of any tax change proposed by the Minister of Finance, accepted, amended or rejected by this House, or part of it, still gets a different interpretation and a different application than that given by the Minister of Finance. Once we have interpretation bulletins filling the books, like the one I have here for the Department of National Revenue, Excise Department, nothing short of dynamite, total repeal of the act or anything based on it will change those interpretations.

I was given a classic example this afternoon by a dentist who now runs a dental supply firm. I have not been able to find the example in the myriads of definitions of the act, but if we go to dental materials it says: "impression materials". In other words, anything used to take an impression of a tooth, gums or of the mouth for the purpose of dentures or various tooth repairs, are exempt. They come under the general exemptions for health items. At page 390 of whatever book it was in—I have not found it yet—is what is called dental materials extension. These items are precisely the same as the impression materials. They are subject to tax. One classification is coeflex, a material for taking an impression in the mouth. That is deemed to be taxable. Another is jel-cone, a silicone based rubber type material. It is taxable. Another item is called jel-trate, made of sodium alginate. It is taxable. Another is methyl-methacycrilate which is taxable. Another item, orthocryl, is taxable, while microlon is non-taxable. The chemical base and composition of both of them are the same. One is taxable, the other is not. Both are used for the same purpose, but there is a difference in treatment.

[Mr. Lambert (Edmonton West).]

• (2150)

I cite this as rather a minor item, but it shows the jungle that small businessmen have to go through and the sheer frustration they suffer. When they look through the schedules and the excise bulletins, as do the officials who have to explain them, these people suffer utter frustration. They see one item that is composed of certain materials and is of a particular use which is taxable, and another item composed of the same materials for basically the same purpose which is non-taxable.

The last item I want to draw to the attention of the House is another incident which applies in Bill C-42. The hon. member for Peace River (Mr. Baldwin), the hon. member for Northumberland-Durham (Mr. Lawrence), the hon. member for Winnipeg North Centre (Mr. Knowles) and others have protested against making rules for this House by statute. The provision for closure in C-42 is totally unacceptable to this House. It should be. By statute we are getting different modes of closure and different modes of procedure.

Let us look at what happens in this bill. Clause 16 deals with an order made under clause 15. Subclause (3) of clause 16 determines how the motion shall be dealt with by a parliament. Clause 16(1) and (2) reads:

(1) An order under section 15 shall be laid before parliament not later than the fifteenth sitting day of parliament after it is issued.

(2) An order referred to in subsection (1) shall come into force on the thirtieth sitting day of parliament after it has been laid before parliament pursuant to that subsection unless before the twentieth sitting day of parliament after the order has been laid before parliament a motion for the consideration of either House, to the effect that the order be revoked, signed by not less than fifty members of the House of Commons in the case of a motion for the consideration of that House and by not less than twenty members of the Senate in the case of a motion for the consideration of the Senate, is filed with the Speaker of the appropriate House.

Then it determines how those motions shall be debated and for how long. There will be a five hour debate. I quote from subclause (4):

—on the conclusion of such debate or at the expiry of the fifth such hour, the Speaker of the House of Commons or the Senate, as the case may be, shall forthwith, without further debate or amendment, put every question necessary for the disposal of the motion.

Here is another closure motion. Are we going to get this as a regular practice in every bill, that it will be provided that there shall be a motion for some consideration by parliament, that parliament will be able to debate that motion for three, five, ten or 20 hours, and then it will be brought to an end? What an easy way out for a government to take. We will be told ahead of time, by statute, how long parliament shall debate any question.

After the next election parliament will be composed of 280 members. Following the next census, it may be over 300 if the stupid act we have on the record continues to prevail and we simply expand the numbers in this House beyond reason. The hours of debate will remain the same and the closure will be even tighter. This is one provision of which we do not approve.

We will not approve closure by statute. If it was wrong in Bill C-42, the petroleum application bill, it is wrong in this bill and will be wrong in any other bill, if we are going to be

consistent. I recommend to my colleagues that we be consistent in that regard. There is nothing worse than saying at this time when there is no question before the House that in three, four or five years we will have a debate that will take five hours and no more. The time of the House cannot be extended merely by unanimous consent. The House is powerless because it is a statute that is binding on this House. The Chair has absolutely no discretion. It cannot even ask whether the debate will be extended or not, even though the House be desirous of it.

I am amazed that government leadership would attempt to put such features into statutes. They are going to be sitting over here too. What is healthy for parliament is the ability to discuss, not under a statutory limitation of debate. That is not good for democracy. It is not good for parliament. That is the jackboot of the temporary majority. Temporary majorities have been wrong more than they have been right, and they have imposed more abuses than they have cured.

May I call it ten o'clock, Mr. Speaker?

* * *

● (2200)

BUSINESS OF THE HOUSE

Mr. Paproski: Mr. Speaker, I should like to ask the acting House leader to tell us what the business is to be for tomorrow and Wednesday if at all possible—we do not want to get into more confusion as we did today. Perhaps the hon. member might give some direction to the minister and to the House.

Mr. Cafik: Mr. Speaker, I do not think there is any need to give directions to any of my colleagues in the cabinet, but it might be useful to give some to the hon. member. In any event, in response to his question, the energy bill, C-42, will be voted on tomorrow at report stage and, if there is unanimous agreement, we would proceed to third reading. Following that it is the intention to call the Bank Act extension bill for third reading. That is an urgent priority and I presume it could be dealt with rather quickly—it is a very short bill. We could then continue with Bill C-38, presently under consideration, and after its rapid passage I presume we could deal with Bill C-37, the income tax bill.

Mr. Paproski: Mr. Speaker, will the energy bill be called?

Mr. Cafik: The energy bill will be dealt with tomorrow at report stage. When amendments are dealt with, rule 74(13) indicates that the third reading stage would be taken at the next sitting of the House if there were not unanimous consent.

Adjournment Debate

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION—REPRESENTATION ON COMMISSION

Mrs. Simma Holt (Vancouver-Kingsway): Mr. Speaker, on March 6, I questioned the Minister of Communications (Mrs. Sauvé) with regard to a published admission by her departmental officials that six of the nine members of the Canadian Radio-Television and Telecommunications Commission came from Quebec, two from the prairies, and one from Belfast, Ireland. I asked her whether she would replace this member from overseas with one from the Canadian province of British Columbia which has no representation. The minister's answer was no answer. She said:

> The Commissioners of the CRTC are not nominated to represent regions. They are nominated for their knowledge of the matters with which they have to deal.

A remarkable answer, Mr. Speaker. British Columbians, who have watched the insensitive, if not vindictive actions of the CRTC in British Columbia, did not need to be told the CRTC is not only unrepresentative of the region but it imposes its narrow nationalism, its own preferences, on our province. Seven times they have improvised vindictive policies, virtually bullying lower mainland citizens and totally ignoring their wishes.

Every Canadian, especially one who, like myself, has worked in the journalistic, creative and broadcasting professions, wants to nurture Canadian stations, Canadian content, and Canadian culture. So concerned was I with helping western Canadian talent grow that shortly before I came here I created a registered B.C. company with two divisions called "Contemporary Content" and "Canadian Content". But no good creative person wants to wallow in the mediocrity that follows when competition is shut out and we are so protected that we work in sheltered cultural workshops.

In Vancouver and the lower mainland we have six Canadian stations on the primary dial—three Canadian network stations, one joint network, one private station, and the community station. We have four American stations including two unimpaired channels and one engaged in "public broadcasting". Now the CRTC has authorized an expenditure of $6 million 20 miles away in Victoria for a second, redundant, CBC station and a second, redundant, CTV outlet, CHEK TV, which carries both CBC and CTV, Victoria.

The minister admits the CRTC commissioners do not represent the region. One has to ask if the "expertise" and knowledge she discusses, from Belfast, Ireland, is better for Canadians and Canadiana than would be the case if the commissioners came from nine regions of Canada rather than two-thirds from one province and one from Ireland.

● (2205)

One must also ask if the commissioner, who said her original home was Ireland—no one asked for her birthplace—was seeking the same thing as a member of parliament in the late nineteenth century, that is, General Laurie, the member for Shelbourne, Nova Scotia, from 1888 to 1891, who returned to the Isle of Wight upon retirement but demanded that his passage between the British Isles and Ottawa be paid by the Government of Canada. When one looks at these expenses of the CRTC, one wonders whether she, the commissioner, got her travel expenses. I do not think she did, but it is a good question, one that I have not asked yet.

Whether the designation of original home as Belfast, Ireland, was the actual home before she came to Ottawa, or whether this was an attempt to be cute, this response to a question from a member of parliament is good reason why she should be replaced by someone from British Columbia, or even from the maritimes which have no representation. No doubt the replacement of her colleague, Roy Faibish, whose record is well known in the House and was reported by me on October 31, would enhance rather than diminish the CRTC.

Both the east and west coast regions have an absolute right to membership in this exclusive club, a club which, in the past two and a half years, has spent more than $350,000 in tax dollars that we can trace on travel to B.C. hotels and that does not include the salaries which range from a minimum of $35,000 to $67,700, also paid by the taxpayers who earn one sixth of the salary for which they pay.

Members of the regulatory board of communications should be broad in intellectual and communication experience, should have competence, a sense of justice and wisdom to serve the diverse and complex needs of this great land. They must possess the highest level of experience and a reputation for success in communication and contemporary technology. They should not be disabled intellectually, or warped to the extent of the male member who demonstrated his great prowess in Vancouver on October 24 in a rather perverse way, with an expertise which seemed to concentrate on the nether regions of the human anatomy.

There is an intellectual disability which has manifested itself, in at least the lower mainland of British Columbia, in the form of a nationalistic bigotry, a bigotry and narrowness which would impose their centre-Canada ego and consequent mediocrity on the rest of this nation, which demands and yearns for richness and understanding of the whole colour and pageantry of the real Canada. Lower mainland British Columbia has had to accept—for too long—the output of cliques in Toronto and Montreal.

In saying that the commissioners are not nominated to represent regions but are nominated for their knowledge, the minister begs the question: What knowledge? What were the criteria on which these people were selected, if not on a representative basis? The chairman is a geographer from Montreal who earns between $51,900 and $67,700. The deputy chairman is a lawyer from Montreal. That is hardly a necessary qualification for communications. The other deputy chairman is a mathematician. Mr. Faibish, to whom reference has been made, was a broadcasting executive. There are lawyers, law professors and engineers. These are hardly qualifications that enhance this important assignment.

In conclusion I would just like to paraphrase Arnold Toynbee, in reference to the non-reply by the minister to my question, when the former said before the UN in 1979, "We will not accept annihilation of freedom of choice without representation."

● (2210)

Mr. C. Douglas (Parliamentary Secretary to Minister of Communications): Mr. Speaker, first I should like to direct my comments to my colleague, the hon. member for Vancouver-Kingsway (Mrs. Holt). Many times I find I agree with what she says in this venerable House, and there are times I do not. This happens to be one of the times that I do not, but I do not think the hon. member will hold me in any less esteem for that particular expression this evening.

Apparently the hon. member suggested that the CRTC has neglected or is not fully capable of understanding the concerns of the citizens of British Columbia because none of the commissioners was born in British Columbia. There are several points to be made in response to this suggestion. As the Minister of Communications (Mrs. Sauvé) said in the House, and I tend to agree with her, CRTC commissioners are chosen primarily because of their knowledge and experience, not because of their birthplaces and not as representatives of regions.

It is appropriate that it is just after St. Patrick's Day because sometimes I have called the hon. member for Vancouver-Kingsway a bit of a leprechaun. Perhaps we can look upon the hon. member this evening as being somewhat impish in her presentation to us and in making suggestions. Of course impish is not the same as being leprechaunish. Impish because, as I am sure the hon. member was aware when she made her suggestion, the CRTC commissioner in question indicated some time ago that she intended to retire from the CRTC in April. Impish also because, as I suspect the hon. member is aware, a CRTC commissioner can be removed only for cause.

I would hope the hon. member does not mean to suggest that being born in Ireland is just or sufficient cause to disqualify a person from serving in the Canadian government as an elected or appointed official. If this were the case, I can think of at least one member of the House of Commons who certainly would not qualify. In fact there are quite a few of our colleagues who certainly would not qualify. I am thinking of the hon. member for York East (Mr. Collenette), the hon. member for York South (Mrs. Appolloni), the hon. member for Trinity (Miss Nicholson), and the hon. member for Vaudreuil (Mr. Herbert). Certainly they were not born in this country, but they are fine, upstanding, and very capable members of the House of Commons.

It is the duty of CRTC commissioners to ensure that the policies made by the House of Commons are applied equally in all provinces. For example, this means that the French service

of the CBC must be carried on cable television in Ontario, Saskatchewan and Alberta, just as it must be in Vancouver. If parliament no longer wishes its national policies to apply nationally, then it will be up to parliament to change those policies for the CRTC and for the country. If it wants to make exceptions for certain provinces, then parliament must do so. But the hon. member should be under no illusion that parliament's will can be evaded simply by adding or subtracting members from regulatory bodies such as the CRTC.

Perhaps the hon. member is being somewhat impish tonight. This theory may have merits and may have a certain logic which is being expounded tonight. However, I find it somewhat strange that the hon. member should espouse this theory since, if the parliamentary guide is correct, she was born in Alberta, educated in Manitoba, and also appears to be a late arrival in British Columbia.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but his allotted time has expired.

OFFICIAL LANGUAGES—ALLEGED IMPROPER DESIGNATION OF "BILINGUAL"

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, on December 22 I asked the President of the Treasury Board (Mr. Buchanan) a question regarding Mr. Yalden's report. The question arises over an item in which Mr. Yalden stated that there are many people who are classified officially bilingual but who are not in fact. We have heard a great deal about this problem, and the debate on bilingualism increases. I do not think that this increase in the level of discussion is meant with any malice, but it is a very serious matter, is very divisive, at least in the eyes of most, and it is not getting at the real cause of the problem.

The Commissioner of Official Languages in his statement was critical especially of English-speaking public servants who were declared bilingual and who were receiving salaries commensurate with this classification. It was suggested that some of these people could not discuss last night's hockey game in the second official language.

The news item implied that most offenders were something that they really were not, and they were English-speaking public servants. In fact, anyone who deals with government realizes that many French-speaking civil servants are unable to perform adequately in the second official language. This is not meant on my part as an indictment of any particular person. It is always difficult to work in a second language without long practice and repeated use of that second language. This is perhaps only an illustration of the emotion with which this problem is posed to Canadians.

● (2215)

It is perhaps easy for national politicians to come forward with some solutions, and it is easy to say that if only certain concessions are made to the citizens of Quebec all would be well. The fundamental problem is not one of bilingualism, but what the relationship of Quebec with the rest of Canada might be. When one observes what has happened in the last ten to 12 years in Quebec I think one can get some indication of how the people in that province feel. Whether they were Union Nationale, Liberals, or now of the Parti Québécois, in the last dozen years they have wanted to preserve their own cultural identity, their customs and language, and to make what they consider is a better place for themselves in their own province. I would not want to disregard their aspirations, but all of these efforts are at the expense of Canada. There is little difference between Bill 22 and Bill 101. While Quebeckers wished to have a uniquely French language and culture, they have complained that in the rest of Canada the French language and culture should be maintained for their benefit.

A prominent person on the Ontario educational TV network made it clear that he was talking about language and culture. He wanted to have a language and culture that was French in nature wherever he went in the rest of Canada. For him this was not wrong in itself, and it is understandable, but it creates problems for the rest of Canada which may never be resolved. Indeed, to accede to this person's point of view would mean that other languages and cultures would take a back seat—in effect, a type of melting pot culture.

We have borrowed much from Britain which, over the centuries, has absorbed waves of refugees from Europe. In fact this makes the present British culture. In the last two centuries we have had the American tradition, which again has meant the assimilation of many peoples of different languages and cultures, with a type of English language with its own distinctive Americanism. I think this is an important facet of Canadianism outside the province of Quebec, where the melting-pot function is at work with the fusion of many peoples into one Canadian identity.

Therefore, the aspirations of the people of Quebec in the language and culture idea are diametrically opposed to the assimilation and melding of various peoples. Few of the various races that make up the Canadian mosaic outside the province of Quebec are interested in maintaining their own language and culture to the exclusion of the Canadian identity. Looked at in this light, it seems hardly likely that the present system of bilingualism, which was of necessity present in the civil service long before this legislation was conceived, is the best basis on which the Québécois and the rest of Canada can continue and have a lasting arrangement. Thank you, Mr. Speaker.

Mr. Thomas H. Lefebvre (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, in reply to the hon. member's first original question, let me say that I think the use of the term "bilingual" by him is as unfortunate as the use of the word "phony" by the Commissioner of Official Languages when describing public servants occupying positions requiring the use of both official languages. Some public servants are very fluent in both languages, others are not. The point is that no definition exists as to what is a true bilingual and what is not.

Official languages policies speak of languages proficiency requirements, but these are not so universal as to represent a

definition of what is bilingual. Employees occupying "bilingual positions" must, unless otherwise exempted, meet the specific proficiency requirements of a given position. If they so meet those requirements, they are referred to as being bilingual when, in fact, it really means that they are proficient to the level required for that particular position. When the commissioner speaks of "phony bilinguals", he is basing his assumptions on his own personal definition of the term "bilingual": one which, however, does not exist in the public service.

In 1972 the then president of the treasury board explained that "bilingualism" means different things in different jobs. In some positions it means only the ability to deal with simple and straightforward questions in the two languages. In others, it means an ability to understand the other language well, but to speak it only passably well. Again in others it means an ability to speak and understand both languages as commonly used, whereas in still other positions it means a greater capacity to speak and understand both common and technical language.

● (2220)

Take for example two hypothetical positions requiring the use of both official languages: an elevator operator and a government negotiator. Obviously the language proficiency requirements for these two jobs will be different. If the occupants meet the language requirements they are said to be bilingual, according to the public service use of the word. According to Mr. Yalden's definition, however, the elevator operator whose job requires a very limited vocabulary to perform his duties could be a phony bilingual, although he or she meets the criteria for the job.

HEALTH AND WELFARE—FUNDING OF MEDICAL CARE PROGRAM

Mr. Bob Rae (Broadview): Mr. Speaker, I have raised several questions in this House concerning the medicare program, and I want to ask certain further questions with respect to that program. The fact of the matter is that the medicare program is one of the critical foundations and keystones of Canadian society at the present time. When it was introduced in 1966 it quickly became clear that it was something which the Canadian people not only wanted but expected.

We ought to look very carefully at the assumptions which underlie the Medical Care Act. There is the assumption that there would be universal medical insurance and that medical care and hospital care would no longer be dependent on one's economic strength in order to be able to survive and to have access to decent medical care. Since that time there has not been a clear commitment from either the provincial or federal governments or, I am sad to say, from parts of the medical community itself, to the principles that were established in the 1960s and that, indeed, go back to the experiences of the CCF in Saskatchewan in the 1940s and the 1950s.

The first watering down of this program came from the federal government. It is one of the ironies that the federal government convinced the provinces to go into the plan on the basis that there would be 50-50 funding, and then it turned around, when it became apparent to them that this was not going to be a free proposition and that it would cost certain amounts of money, and reduced their long-term financial commitment by passing the Established Programs Financing Act in 1977.

I might point out that we were the only party to warn the government at that time that the effect of introducing this program would be to reduce in the long run the commitment of our federal government to maintain the principles of universality and accessibility, which are the principles behind the plan. The federal government abandoned its role of being responsible in some way for the administration of the program and left that to the provinces.

In the course of the debate in 1976 the Prime Minister (Mr. Trudeau) said that he was taking a gamble, and the then minister of national health and welfare said at that time that it would be unthinkable for the provinces or for the federal government to move away from the principle of universal medical care. As I said earlier today, however, the unthinkable has happened and is happening, and the gamble has not paid off. The government now finds itself in the position of being faced with the erosion of a plan—and I am using the words of the Minister of National Health and Welfare (Miss Bégin)—and of not having the means and the capacity to deal with the problems in the plan.

The fact of the matter is that there are several problems in the plan at the present time. There are doctors leaving the plan and charging a surcharge of up to and over 30 per cent. People were coming into members' offices and showing us doctors' bills, wanting to know if they were forced to pay them. They wanted to know why their doctors were not in the plan. Those were reasonable questions and gave rise to very real fears for people who cannot afford high medical fees.

● (2225)

The second practice which concerns us is double billing and the provinces that allow it. In this case doctors are not only billing the medical insurance plan but are also billing the patients individually. This gets away from the principle which should have been protected by the federal government, that medical care does not depend on income. Citizens are insured either by the provincial program without premiums or the provincial program with premiums.

Finally, there is the question of deterrent fees. Some provinces have introduced fees for long term stays in hospital. In September, 1976, in Vancouver, the Leader of the Opposition (Mr. Clark) said:

> Health insurance today encourages people to abuse the system by making unnecessary trips to doctors—

He suggested that all or a portion of the cost of a doctor's visit should be shown as taxable income for the patient, and that something like a T-4 form could be issued. His solution was to make the patient pay for the visit in another way. It is just a deterrent fee by the backdoor and moves away from the principle of universality. It puts fear into the hearts and minds

of people who feel their medical care system belongs to them. They do not want it taken away.

The basic problem is the illusion adopted by the government and by many of the provincial governments. The illusion is that medical care services can be limited, that you can get something for nothing. The doctors of this country are telling us that we cannot get something for nothing—if we want a medicare program we have to pay for it. I think the Canadian people are prepared to pay a reasonable price, Mr. Speaker.

It is this new conservatism, this ideology which has seized the minds of the Liberal party and the Conservative party—that the government which governs least governs best, and that all government spending is bad while all private spending is good. The government has limited itself, it has restricted itself, and it does not now have the means or the ability to deal with the provinces in a way that would enable them—

Mr. Deputy Speaker: Order, please. The hon. Parliamentary Secretary to the Postmaster General (Mr. Collenette).

Mr. D. M. Collenette (Parliamentary Secretary to Postmaster General): Mr. Speaker, I am glad the hon. member for Broadview (Mr. Rae) brought this subject to the attention of the House last week as I think it should be debated publicly. It is a very serious topic.

Before I answer, Mr. Speaker, I should like to point out that the Liberal party is certainly not seized with a new conservatism. If it were I would not be standing here, nor would I be running in the next election under the Liberal party banner. I should like to put the hon. member at ease in that aspect.

The medicare program has been fundamental to the Liberal party's platform since the early 1960s.

Mr. Knowles (Winnipeg North Centre): Since 1919.

Mr. Collenette: The hon. member for Winnipeg North Centre (Mr. Knowles) is right—since the convention of 1919 when Mackenzie King became leader. It was finally implemented in the 1960s, and it is something to which members of this party are unequivocally committed.

I do not see any need to increase the federal contribution to the financing of medicare services in order that the provinces may meet the basic program condition of accessibility as required by the act.

The hon. member for Broadview referred to the established programs financing arrangements. These have been quite generous to the provinces, but I should point out that it was the provinces that felt they were closer to the people and should have some say in the administration of the medical plan. The federal government took a gamble, perhaps, in instituting this somewhat decentralized system of government. I think one of the election issues in the next few weeks will be whether we will continue with this kind of arrangement whereby the federal government agrees that if the provinces want greater administrative control over certain programs they can have it.

The hon. member for Broadview is correct in drawing our attention to what has happened. The basic tenets of the medicare program, the universality with respect to population covered, the accessibility without excessive user charges, the portability of benefits—all of these could be in jeopardy. I think I need only repeat the reply given by the Prime Minister (Mr. Trudeau) during question period on March 9 to the Leader of the New Democratic Party when as reported at page 3990 of *Hansard* he said:

> If anything is done by any province to depart from that principle, we would have to review the very high payment the federal government is making to the province in respect of half the cost of medicare.

It is quite clear; there is no equivocation. The hon. member for Broadview asked in question period this afternoon what legal authority the government has to withdraw funding from the provinces. I would think that the effective determination by the governor in council that a provincial plan had ceased to meet any of the conditions or the five basic points would mean there is no longer authority to make contributions. In other words, if they reneged on any of the basic commitments to medicare, then the federal government would have the moral and perhaps the legal authority to review the money advanced under the established programs financing arrangements. Again, I say, there must be no retrenchment, no equivocation on the basic medicare scheme of this country to which Canadians are entitled, which they want, and which they certainly deserve.

Mr. Knowles (Winnipeg North Centre): Physician, heal thyself.

Mr. Deputy Speaker: Order, please. A motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the House adjourned at 10.32 p.m.

HOUSE OF COMMONS

Tuesday, March 20, 1979

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

DELAY IN ANSWERING ORDER PAPER QUESTIONS—MOTION UNDER S.O. 43

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity concerning the unjustifiable failure of the government to answer the following questions asked by me: No. 576, of November 14, 1978; No. 611, of November 22, 1978; and No. 1,032, of February 6, 1979.

Without there being prompt replies to questions asked in parliament, authorities on parliamentary procedure without exception have concluded that the institution would be detrimentally eroded and ultimately destroyed. Therefore, I move, seconded by the hon. member for Vegreville (Mr. Mazankowski):

To prevent the truth being denied by the government to the Canadian people by government roadblocks of silence, that the government forthwith be directed to provide prompt answers to these questions, otherwise with dissolution they will remain unanswered.

Mr. Speaker: The introduction of such a motion at this time would require unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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CULTURAL AFFAIRS

REQUEST FOR FINANCIAL ASSISTANCE FOR WINNIPEG SYMPHONY ORCHESTRA—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, considering the delightful concert that was given today in the rotunda by the National Arts Centre Orchestra, perhaps I might be permitted to say that one good orchestra deserves another. Accordingly, under the provisions of Standing Order 43, and seconded by the hon. member for Winnipeg North (Mr. Orlikow), I move:

That this House expresses its concern over the loss that Canada would suffer if the Winnipeg Symphony Orchestra were to fold and, therefore, notwithstanding the primary responsibility of the government of Manitoba as well as of individual and corporate donors in Manitoba, calls on the federal government to make an appropriate grant so that the Winnipeg Symphony Orchestra may be enabled to continue to enrich the cultural life of Canada.

Mr. Speaker: Such a motion can be introduced for debate at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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[*Translation*]

VETERANS AFFAIRS

SUGGESTION THAT PENSION COMMISSION EXPEDITE CONSIDERATION OF CASES—MOTION UNDER S.O. 43

Mr. Roch La Salle (Joliette): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with an important matter of pressing necessity.

Considering that throughout the country the Canadian Pension Commission has experienced unacceptable delays in reviewing the files of veterans; considering that conditions in Quebec are just as deplorable for our veterans; considering that cases were brought to my attention by veterans who are told by the Canadian Pension Commission: "It is impossible to specify when we will proceed with the consideration of your case" or still "We will not receive the medical data for your appeal before a year or more" I move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

That the Minister of Veterans Affairs give the necessary instructions to the Canadian Pension Commission, so that the review process of those cases can be speeded up in a spirit of brotherhood for those who gave much of themselves for our country.

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

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

SOCIAL INSURANCE

SUGGESTION THAT FEDERAL AID BE REPLACED BY SURRENDER OF PROPORTIONATE NUMBER OF TAX POINTS TO PROVINCES—MOTION UNDER S.O. 43

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to present a motion on a matter of urgent and pressing necessity.

Considering that doctors in several provinces are increasingly disillusioned with the universal medicare plan, that many of them are gradually opting out of the various provincial medicare plans, and that the Minister of National Health and Welfare (Miss Bégin) has stated that the federal government will withdraw financial support to the provinces in this field if they fail to solve the problem, I move, seconded by the hon. member for Lotbinière (Mr. Janelle):

That, so as not to put in greater jeopardy the access of Canadians to medical care, the federal government commit itself to solve the current problem by substituting for the present federal assistance a proportionate number of tax points to the provinces.

Mr. Speaker: Order, please. The introduction of such a motion under Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

[*English*]

HEALTH AND WELFARE

CALL FOR CONVENING OF CONFERENCE OF HEALTH MINISTERS ON MEDICAL CARE PROGRAMS—MOTION UNDER S.O. 43

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

Given the indication yesterday by the Minister of National Health and Welfare (Miss Bégin) that she might be prepared to meet with her provincial counterparts to discuss the viability of the current medicare arrangements in Canada, arrangements which involve much more than fee structures and transfer payments, and taking into consideration the fact that since the introduction of the Medical Care Act 12 years ago, the medicare programs in all provinces have undergone substantial revision and change, I move, seconded by the hon. member for St. John's East (Mr. McGrath):

That the Minister of National Health and Welfare give immediate priority to the convening of a conference of health ministers to discuss the basic national criteria of accessibility, universality and portability in medicare with a view to determining whether the provincial programs are meeting those criteria, whether the funding is adequate at both the federal and provincial levels to allow proper implementation of those criteria, and to review the role and responsibility of both levels of government in ensuring the maintenance of a sound medicare program.

[Mr. Speaker.]

Mr. Speaker: Such a motion can be presented for discussion at this time only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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RAILWAYS

PROVISION OF ROLLING STOCK FOR MOVEMENT OF LUMBER—MOTION UNDER S.O. 43

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, it may not come as a surprise to you that I have a motion under Standing Order 43 regarding boxcars, but this time it has to do with lumber.

Since the matter is of urgent and pressing necessity, and in view of reports today that the lumber industry in British Columbia is in serious difficulty because of the shortage of railway equipment to move that commodity, most of which is for export, and since this is nothing new in that there has been an ongoing and chronic shortage of railway cars not only for lumber but for other commodities such as potatoes and grain, I move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That the Minister of Transport require the railways to live up to their obligations under section 262 of the Railway Act to supply suitable accommodation for all traffic offered and, further, that the government require immediate action be taken to lease rolling stock from other countries and allocate railway equipment from other parts of Canada that is suitable for lumber transportation.

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

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

AIR TRANSPORT

UNITED STATES OPPOSITION TO PROPOSED AIR CANADA BARGAIN RATE FLIGHTS

Mr. Jack Murta (Lisgar): Mr. Speaker, I would like to direct my question to the Minister of Transport, since the Secretary of State for External Affairs is not present.

Since the flight plans of 147,000 Canadians could be in jeopardy because of a threat by the United States to block Air Canada's proposed bargain rate flights to the United States, what action is the government taking to ensure that Canadians will be allowed to benefit from the bargain rate flights? I ask

this question in view of the fact that within the next few days these flights will start and that there is some question as to their viability at all.

● (1415)

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, we hope that that action will not be taken by the United States at this point. They have registered some concern, but have not taken formal action to disallow the flights. This may be part of a larger discussion between Canada and the United States about fares.

It should be known that we are in a position to allow similar or matching U.S. fares by U.S. airlines as well. Perhaps that may alleviate somewhat the concern of the United States at this point. I would, therefore, take the view that we do not expect that action to be taken by the United States, and that the fares will be allowed.

Mr. Murta: Mr. Speaker, that is somewhat cold comfort for people who are anticipating travelling in the United States. The government is still at the point of assuming that things will work out all right.

Since the government has rejected several proposals from the United States for cheaper cross-border flights, does the minister anticipate changes to the 1974 air services agreement which allows one country to block the other's cross-border fare proposals? This seems to be the crux of the present problem. The United States seems to be approaching the pending negotiations in the same way Canada did some time ago. I understand these negotiations will take place between the two countries in the first part of April. Will this particular question be discussed then, and can we hope that the question will be resolved?

Mr. Lang: Mr. Speaker, resolution of that particular issue is exactly the point of the discussions proposed for April. Following some filings by U.S. carriers, we did ask for these consultations and it took some months before we received a positive response. Discussions are now set for April and will cover specifically the issue of lower fares and how they are handled between the two countries.

Mr. Murta: Mr. Speaker, because every country needs contingency plans, can the minister indicate to the House whether there is the possibility of an agreement between the two countries allowing selected United States airline carriers to fly into Canadian cities in return for rights for Air Canada's proposed cheap fares to United States cities? In other words, are Canadian officials prepared to meet the United States halfway on their demands, in order to alleviate this situation?

Mr. Lang: Mr. Speaker, the hon. member must have missed that aspect of my very first answer. The Canadian Transport Commission, I understand, did allow some of the lower fares filed by United States carriers where they were parallel to the fares filed by Air Canada for service between Canadian points and the United States. To that extent, therefore, some accord has been arrived at if the United States allows these Canadian fares to be upheld.

CANADA-UNITED STATES CONSULTATIONS ON AIR FARES

Mr. Don Mazankowski (Vegreville): Mr. Speaker, may I put a supplementary question to the Minister of Transport? It specifically concerns the air fares which are to come into effect next Tuesday.

Under the terms of the bilateral agreement, I understand that the countries have 15 days in which to negotiate or to consult after a notice of dissatisfaction has been filed. Can the minister indicate whether that initiative has been taken by Canada? Will consultations take place relative to these particular air fares so that the matter may be resolved before next Tuesday?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I am not sure at this moment whether there will be discussions in advance of the April discussions on the main issue.

Mr. Mazankowski: A further supplementary question, Mr. Speaker. What assurances can the minister give the House that this matter of the notice of dissatisfaction will not, in effect, turn into a notice of suspension so far as United States authorities are concerned?

Mr. Lang: Mr. Speaker, obviously, only the United States government could give a clear indication at this time of whether they intend to take that action. The best I can do is indicate that I do not expect that action; but it is very definitely in their hands, under the bilateral arrangements between us.

Mr. Mazankowski: A final supplementary question, Mr. Speaker. Can the minister tell the House why Canada is not exercising its right, under the bilaterals, to initiate consultation and negotiations with the United States to resolve this matter, rather than just sitting around playing tweedle-dee-dum and tweedle-dee-dee.

Mr. Lang: Mr. Speaker, I think the hon. member is being rather silly in his approach. Discussions are coming up on this whole question very soon.

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THE CANADIAN ECONOMY

INCREASE IN CORPORATE PROFITS—MEASURES TO ROLL BACK

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Finance. In the House yesterday, the minister expressed concern that some profit-making might have taken place on the devaluation of the Canadian dollar. In this morning's papers, figures were released showing that corporate profits were up 46 per cent in the last quarter of 1978. This is the highest since 1974, and a large part of that profiteering took place as a result of foreign exchange gains.

• (1420)

I ask the Minister of Finance, since his fears now seem to be borne out in large part, what action is the government contemplating to make sure these profits are rolled back? The most important point is: if there are high profits, Canadians have very high prices.

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, first I would like to tell the hon. member that I do not consider profit is a sin as long as it is a normal profit. Having read the article that he referred to, the hon. member will realize that some of those profits occurred in some companies which were in a deficit position last year and lost money. If a company continues to lose money year after year, it will not last long in our society.

I think we have to look at the average level of profits in the Canadian economy. At the moment we realize that the level of profits in Canada is not above the average of the last 15 years, so there is no cause for alarm. When there is a better picture of profits that generate cash, that cash in turn can be reinvested to create jobs. I think it is a sign that the economy is picking up.

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CONSUMER AND CORPORATE AFFAIRS

ACTION AGAINST COMPANIES GUILTY OF PROFITEERING

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my supplementary question is for the Minister of Consumer and Corporate Affairs. In view of the fact that profit gains are the highest since 1974, and that the Minister of Consumer and Corporate Affairs and the Prime Minister both said in February that companies which do not use their profits to further the national economic goals of the country could lose some federal government contracts, in view of the fact the minister said that he was looking into this possibility my question to him is: Has he decided yet whether the government will be levelling sanctions against some of these large companies with high profits? Will the government be withdrawing government contracts from some of these companies?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): No, Mr. Speaker, we have not found that any companies are profiteering at the expense of consumers.

MONITORING TO ENSURE SALES TAX CUTS PASSED ON TO CONSUMERS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, the Minister of Consumer and Corporate Affairs has said many times that he believes the 3 per cent tax cut to manufacturers which was introduced last November has been passed on to consumers. I ask the minister, has he completed the monitoring of those tax cuts? Can the minister tell us what evidence he has that those tax cuts indeed have been passed on? Can he tell us who he has been surveying, and can he table the evidence in the House?

[Mr. Nystrom.]

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, all the evidence that we have so far indicates that the tax cuts are being passed on. Plans were sent forward to the AIB toward the end of the year indicating how those would be passed on. The work is not yet finished; it is carrying on and we will continue to watch the situation very closely.

[*Translation*]

INQUIRY WHETHER GOVERNMENT INTENDS TO REVISE ROYALTIES LEGISLATION

Mr. Richard Janelle (Lotbinière): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs and concerns the Copyright Act.

Considering that the rates of royalties mentioned in subsection 19(5) of the act has not been amended since 1921, can the minister tell the House if he intends to revise these rates, and if so, when?

[*English*]

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, the copyright legislation is presently under review. It is our intention to present a bill to this House in the near future to bring up to date and reform our copyright laws.

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ENVIRONMENTAL AFFAIRS

REPORT ON POSSIBLE SALVAGING OF OIL TANKER "KURDISTAN"

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, may I direct a question to the Minister of State (Environment)? Could he give us an up to date report on the status of the stern section of the *Kurdistan* and whether or not there is any validity to the apparent conflict between assurance given in the House yesterday by the minister and reports alleged to emanate from the Minister of Fisheries that, in fact, the stern section is leaking oil?

Can the minister give us an up to date report—either he or the Minister of Transport—with respect to this section and whether or not there has been a decision to bite the bullet and either salvage or sink it?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, there is no evidence at all of any leaking of oil from the stern section. I believe there was such a press report yesterday, but there is no evidence of that at all. We do have a coastguard vessel immediately near it to watch out for that and other matters. The actual solution has not yet been determined as proposals are still to be put forward by the salvor in relation to the stern section. It is, of course, under tow by the salvor.

● (1425)

Mr. Forrestall: Mr. Speaker, I will direct my other questions to the minister of the environment, whom I presume has the fundamental responsibility. First, where are the 3,500 tons of missing oil? Does the minister have any evidence to suggest that that oil is some distance below the surface but not deep enough to have jelled? Have his officials alerted him to the possibility of this oil slick being submerged, as it apparently is, and creating environmental damage to the fishery or the shoreline of Cape Breton?

Hon. Len Marchand (Minister of State (Environment)): Mr. Speaker, we really have not been able to find where the spilled oil has gone. I can assure the hon. member that no oil has drifted on to shore. The best information I have is that there is not likely to be any environmental damage from the oil that has been spilled.

I mentioned yesterday that a small patch had been found in the vicinity of where the stern was then positioned. I should have said that patch was seen near where the bow was located at that point. I have had other reports today indicating that there have been a further few, very small patches found but nothing to be concerned about. As I said before, we still do not know where the bulk of the bunker C has gone.

Mr. Forrestall: Is the minister suggesting that his environmental officials, including those on the scene, have briefed him to the effect that the missing 3,500 tons of oil does not pose a potential threat? If that is not the case, what action is being taken today, either by surface or aerial means, to locate and identify the missing 3,500 tons? Can he, further, advise where the bow section is at present, who has it under tow and whether it is, in fact, leaking oil?

Mr. Marchand: Mr. Speaker, according to my information to bow section is not leaking oil. It is located about 97 miles east of the entrance to Chedabucto Bay. Perhaps that kind of question should more properly be addressed to the Minister of Transport. It is in a holding pattern. There are very difficult weather conditions now, but hopefully action will be taken in the next couple of days to move it into deeper water where we can probably sink it.

The surveillance action now being taken is really only by coastguard vessels in the area. The weather has been too difficult to get into the area our aircraft which is equipped with remote sensing equipment. As soon as weather conditions permit, the DC-3 will again be out and with its various kinds of sensing equipment will try to locate any oil that might be on the high seas.

* * *

LOTO CANADA

REQUEST FOR COMMITTEE STUDY OF OPERATIONS

Mr. Bruce Halliday (Oxford): Mr. Speaker, my question is for the Minister of State (Fitness and Amateur Sport). In view of the continuing problems with Loto Canada, can she tell the House if and when she plans to seek a reference of Loto Canada to the appropriate standing committee in order that its officials may appear and be questioned by members of the House respecting the whole operation of the corporation?

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I do not know of any continuing problems with Loto Canada. The hon. member and his steering committee have the same rights as any members of this House to call the annual report when it comes through. My officials will be very pleased to appear before the committee, which they were not called upon to do last year.

Mr. Halliday: Mr. Speaker, my supplementary question is to the Deputy Prime Minister. In view of the unusual financial losses recently experienced by Loto Canada and the predicted drop in ticket sales for the twelfth draw, will the Deputy Prime Minister use his influence and try to obtain the appropriate reference to a standing committee of the House in order that the entire financial affairs of Loto Canada may be subjected to scrutiny in the usual parliamentary fashion?

● (1430)

Hon. Allan J. MacEachen (Deputy Prime Minister and President of Privy Council): Mr. Speaker, without accepting any of the allegations to be found in the hon. member's question, I will take his representation under consideration and decide whether at the present time we can add a further burden to the already very busy House committees.

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EMPLOYMENT

OVERPAYMENTS IN CERTAIN JOB CREATION PROGRAMS—GOVERNMENT POSITION ON COLLECTION

Mr. Jake Epp (Provencher): Mr. Speaker, my question is directed to the President of the Treasury Board. As reported in *Hansard* at page 4093, the Minister of Employment and Immigration confirmed in an answer to me that overpayments had taken place in connection with LIP, The Canada Works scheme and the Young Canada Works scheme. Subsequently, I asked the President of the Treasury Board what position was being taken by his department with regard to these overpayments.

Has the minister been able to check into this situation as he promised to do, and does his department regard these overpayments as debts due to the Crown?

Hon. Judd Buchanan (President of Treasury Board): Government policy with regard to this matter is quite clear. It is our intention to pursue any of these outstanding obligations which are in the category of legal obligations due to the Crown. We shall pursue those that fall within this category as far as we can through the various processes open to us.

Mr. Epp: From the answer the minister has just given, I do not believe he has checked into the matter as he promised he would. A memorandum we have received indicates that the Deputy Minister of Employment and Immigration feels these overpayments should be pursued, yet officials in Treasury Board feel these are not debts due to the Crown because the contracts are not legally binding.

Would the minister check into this, because there is a strong debate going on as to whether these contracts are legally binding or not? It is his own department which is now questioning whether these overpayments can be recovered. He is the protector of the taxpayers' money, so what is he doing about it?

Mr. Buchanan: As I have said, the policy is quite clear. If these are legal obligations, the matter will be legally pursued and we shall endeavour to collect the amounts due. If there is a dispute as to the legal status of these obligations, that is something upon which we seek the opinion of the Department of Justice. But, I repeat, if they are legal obligations it is our intent to pursue them.

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SHIPPING

REGULATIONS RESPECTING SAFE OPERATION OF SMALL BOATS

Mr. Rob Parker (Eglinton): Mr. Speaker, I have a question for the Minister of Transport. His ministry has put into effect new regulations for the safe operation of small boats in Canada which, among other things, require every boat over 5.5 metres in length to carry at least six approved flares.

In view of the fact that the minister is demanding a minimum expenditure of $50 with respect to every boat of this size or more, can he resolve the conflict between the statement in the Boating Safety Guide, which contains the regulations, that "the red flares used on railroads are efficient and inexpensive", and the statement made in a letter from one of his officials to the Ontario Marina Operators' Association that "road flares and rail flares . . . are totally unsuitable, inadequate and, in fact, frequently hazardous in a marine environment".

Can the minister reconcile these conflicting statements, bearing in mind the large number of boat owners involved and the short period remaining before the boating season opens?

Hon. Otto E. Lang (Minister of Transport): It is the latter statement which really reflects the judgment of today. Flares which are not waterproof or weatherproof are not adequate for boating situations; they might be unusable, and unless they are safe in an operational sense they might cause additional problems to boat owners in distress. That is the basis for our intervention.

Having required the presence of these flares, it seemed important to us that they should be safe and that they would operate when required without adding to the hazard. Hence, we have introduced specific regulations.

[Mr. Buchanan.]

Mr. Parker: I accept the minister's explanation, of course, but I should like to ask him what steps he is taking to explain to everyone in Canada who reads his department's Boating Safety Guide why it should contain a statement saying exactly the opposite of what he is telling the House.

One further supplementary: In view of the fact that stocks of these flares seem to be in short supply in Canada, would the hon. gentleman issue a go-slow order to law enforcement officers so that boat owners might have a chance to equip themselves with approved flares?

Mr. Lang: I understand there has been some discussion about enforcement of the regulations when there is any real problem about obtaining the flares. Enforcement will be arranged progressively rather than in a manner unfair to boat owners.

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EXTERNAL AFFAIRS

REPRESENTATIONS RESPECTING PLIGHT OF ANATOLY SHCHARANSKY

Mr. Donald J. Johnston (Westmount): Mr. Speaker, would the Deputy Prime Minister confirm that representations have recently been made on behalf of Mr. and Mrs. Shcharansky with respect to the plight of Mrs. Shcharansky's husband, Anatoly Shcharansky? I understand such representations have been made recently to the Prime Minister. Have representations, in fact, been made, and what is or will be the response of the Canadian government with respect to them?

Hon. Allan J. MacEachen (Deputy Prime Minister and President of Privy Council): I understand the solicitor for Mrs. Shcharansky in Canada has made certain representations, or made certain views known, to the Prime Minister and that the Prime Minister replied to Mrs. Shcharansky as of March 19 in particular deploring the treatment of her husband and expressing the hope that the Soviet Union would take action soon to release him to come to Canada. Also, the Prime Minister reiterated that the offer made earlier to receive Mr. Shcharansky is still open.

Some hon. Members: Hear, hear!

* * *

ENERGY

REPORTED DIVERSION TO UNITED STATES OF OIL DESTINED FOR CANADA

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. In view of somewhat disturbing reports in the press recently that Congressman Albert Gore of the United States has charged that early in February Exxon diverted several tankers intended for Imperial Oil's Canadian market to a New England group of buyers, for a substantial profit, has the minister

investigated this charge and will he report to the House what he has found out with regard to it? Further, would he comment on the implications this would have with respect to the security of Canada's oil supplies?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): We have taken steps to find out whether that report is correct, but we have been unable to confirm that Congressman Gore made such a statement.

Mr. Symes: I hope, then, that the minister will track down the source of this report; I think it bears further investigation and calls for a report to the House.

One supplementary: When Mr. Armstrong, president of Imperial Oil, appeared before the committee on National Resources and Public Works this morning, he stated, with regard to the issue of buying crude oil for Canada from Venezuela:

> We would expect Petro-Canada to supply the equivalent of our current contract for Venezuelan crude in terms of quality and flexibility as to volumes at competitive prices including the necessary tanker transportation.

These are the demands Imperial will be placing on Petro-Canada. Is the government prepared to acquiesce in those demands, or will it be making certain demands of Imperial in terms of providing the Canadian market with Venezuelan crude?

● (1440)

Mr. Gillespie: Mr. Speaker, those matters are presently under negotiation between Petro-Canada and Petroleos de Venezuela. The hon. member knows that a supplier refinery in Canada would want to specify certain terms and conditions in any commercial contract. It is anticipated that Petro-Canada will be supplying other than the Imperial refineries in Canada. Indeed, it has been made quite clear quite recently that the Golden Eagle refinery near Quebec City is likely to be a potential customer for Venezuelan crude handled through Petro-Canada.

NUCLEAR FUSION ENERGY PROPOSAL—WHEREABOUTS OF PRIME MINISTER

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I want to ask a question about an important nuclear fusion energy proposal which was published here in Canada on Saturday, and the Prime Minister's conversations with President Carter about it which, of course, would be exclusively within the knowledge of the Prime Minister. However, the Prime Minister has not been seen in these buildings since Saturday night, so I have not been able to ask the question.

My question to the Deputy Prime Minister is, where is the Prime Minister? Does he feel he has better things to do than appear in these parliament buildings or in the House of Commons?

Some hon. Members: Oh, oh!

* * *

[*Translation*]

OFFICIAL LANGUAGES

POSSIBILITY OF LAYING OFF 100 LANGUAGE TEACHERS—GOVERNMENT POSITION

Mr. Roch La Salle (Joliette): Mr. Speaker, my question is directed to the President of the Treasury Board. Last Friday the Public Service Alliance of Canada put out a news release asking for a meeting with the President of the Treasury Board to discuss the problems which budgetary restrictions have created for a number of language teachers. Has the minister received an invitation from the representatives of the Public Service Alliance for such a meeting? If so, does he intend to meet them and will he discuss the case of the 100-odd language teachers who are to be laid off at the end of the month?

Hon. Judd Buchanan (President of Treasury Board): Yes, Mr. Speaker, I received the invitation last Friday. Yesterday, we discussed the possibilities we have and we will meet again tomorrow afternoon. But the problem is much broader than its implications with regard to the language teachers; it hinges on the bilingualism premium in the public service generally. That problem will be discussed tomorrow afternoon.

INQUIRY WHETHER GOVERNMENT CAN ASSIGN LAID-OFF TEACHERS TO NEW POSITIONS

Mr. Roch La Salle (Joliette): Mr. Speaker, on a supplementary. The minister knows that his government made commitments to those teachers until 1983. Last week the minister spoke of trying to scrape up some money somewhere which could at least enable him to assign those emplyees to new positions. Can the minister tell us today whether or not he has found any money, and if he will be in a position tomorrow to offer the union some guarantee that those hundred or so teachers will not find themselves without employment on April 1, especially in view of the commitment of the government with regard to that program?

Hon. Judd Buchanan (President of Treasury Board): No, not yet, Mr. Speaker. I indicated that we had already increased the funds by $4.3 million. So, I am not sure additional funds can be found. As I indicated to our colleague, I shall see if it is possible or not.

[*English*]

NATIONAL REVENUE

COMPLEXITY OF CHILD TAX CREDIT APPLICATION FORM

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, my question is for the Minister of National Health and Welfare. In a letter I received from her colleague, the Minister of National Revenue, the minister informed me that next year he anticipates having a much simpler form for those who will be filing only to obtain the child tax credit. He went on to point out in that letter to me that it should also be possible to develop more efficient processing routines and thus reduce the costs of administration.

I wonder if the minister would indicate whether she shares her colleague's point of view that the application form for the child tax credit has been unnecessarily complex this year and has cost the Canadian taxpayer a great deal of money in terms of additional administration?

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, I do not know if we are lacking questions in the House this afternoon, but this one surely is unnecessary.

Some hon. Members: Oh, oh!

Miss Bégin: I said several times in the debate on Bill C-10 back in November—the hon. member probably did not follow that debate—that we regretted having to ask the Canadian public to fill in schedule 10, which is complicated as are all tax forms, I must admit. I indicated that programs, training manuals and seminars for additional staff of Revenue Canada for the present fiscal period were already under way. That was explained very often, so the answer to the question of the hon. member is that I agree with my colleague that next year we will have a single, simple and shorter form for mothers.

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CONSUMER AFFAIRS

ALLEGED MISLEADING ADVERTISING OF CHILD TAX CREDIT PROGRAM

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, the minister certainly cut up her colleague, the Minister of National Revenue, with that answer.

I would like to direct a supplementary question to the Minister of Consumer and Corporate Affairs. There have been complaints from all parts of Canada and from members of this House with respect to misleading advertising about the child tax credit which has been perpetrated by the Minister of National Health and Welfare. Has the minister or his department had an opportunity to investigate this advertising? Has he any report to make to the House? Is he going to do anything about it? Is the allegation that a department never acts against another department founded?

Some hon. Members: Oh, oh!

[Mr. Buchanan.]

Mr. Hnatyshyn: The question was to the Minister of Consumer and Corporate Affairs.

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

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ENVIRONMENTAL AFFAIRS

PROTECTION AGAINST OIL SPILL FROM TANKER "KURDISTAN"

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, my question is to the Minister of State (Environment). With reference to the missing oil slick and the potential of a further oil leak, can the minister assure this House that should the situation get worse, he will remain in charge of the situation and carry it through to solution instead of transferring the matter to the Minister of Transport, provincial governments and municipal governments?

Should there be the problem of an oil slick working toward the shoreline and endangering the marine environment, will he assure us that what happened in British Columbia, where governments, argued about a solution to the problem, will not happen again? Will the minister assure the House that the procedure will not be followed and that he will take care of the problem instead of transferring jurisdiction?

Hon. Len Marchand (Minister of State (Environment)): Mr. Speaker, I will certainly carry out my responsibility. But the hon. member is just being mischievous in this case because he knows very well that in the case of this particular oil spill, the coast-guard and the Ministry of Transport are the lead agencies. I have no comments about that, but I want to assure the hon. member that all concerned departments of both the provincial and federal governments are working very closely together.

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AIRPORTS

CASTLEGAR—JOB SECURITY OF EMPLOYEES

Mr. Bob Brisco (Kootenay West): Mr. Speaker, my question is to the Minister of Transport. In light of the fact that the city of Castlegar terminates its control and operation of the Castlegar airport on March 31, and that the firm which will be assuming the third party contract may not be ready to participate in a very real sense on April 1, it has been suggested that employees from the Ministry of Transport at Penticton be moved into Castlegar in the interval. This would have a very disastrous effect on the employees currently in place at Castlegar who are very concerned about job security. Can the minister offer some remarks which may bring about a solution to that problem and reassure the employees at Castlegar?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I must confess that my officials did not bring to my attention

any problem with regard to the switch from one management to the other. I will take note of the hon. member's representation and look into the matter immediately.

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COMMUNICATIONS

EXPECTED RECEIPT OF CLYNE COMMISSION REPORT

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is to the Minister of Communications. I wonder whether the minister has received a report from the Clyne commission, and when is it going to be tabled in the House?

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, I understand that the report will be delivered to me this week, and I will see that it is properly tabled.

Mr. Nowlan: Mr. Speaker, there has been a persistent rumour for the last year or so that there might be an election. In fact, one minister wondered about the necessity of questions. Many people are wondering if there is a necessity for this House to stay in operation.

I wonder if the minister would undertake, in the event this House somehow expires before next week, the minister has the report and it is translated, to make sure that during any period that this House is not sitting the public will at least have the benefit of that report so that the debate on telecommunications, which was the reason for the report, could be stimulated regardless of anything else that might happen.

● (1450)

Mrs. Sauvé: Mr. Speaker, if this House expires, it will only be to be reconfirmed in a new mandate. So I am not worried about the kind of debate which will take place when I table this report.

Some hon. Members: Hear, hear!

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CONSUMER AFFAIRS

TESTS TO DETERMINE WHETHER ALUMINUM WIRING IS A HAZARDOUS PRODUCT

Mr. James A. McGrath (St. John's East): Mr Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. After extensive testing by the Safety Products Commission of the United States, the United States government has commenced court action to have aluminum wiring declared a hazardous product. Can the minister indicate if the federal government has ordered similar tests in Canada and if similar steps will be taken by the government?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): No, Mr. Speaker, because the whole question of wiring comes under the provincial governments of Canada. When this matter was first brought to our attention, we were in touch with them. Different provinces are examining their building codes and other regulations respecting it, but I have no jurisdiction.

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HOUSING

STEPS TO ENSURE SAFE WIRING INSTALLED IN CANADIAN HOMES

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question was prompted to the minister by the jurisdiction he has under the Hazardous Products Act. Since this minister does not seem to be concerned about it, perhaps I could redirect my question to the minister responsible for the National Housing Act, the Minister of Public Works.

Has the minister taken any steps within his administration of the National Housing Act and Central Mortgage and Housing Corporation to conduct tests to determine whether aluminum wiring constitutes a fire hazard? If so, what steps does the minister propose to take to ensure that Canadians will have not only safe wiring in their homes but can, in fact, be reassured of that?

[*Translation*]

Hon. André Ouellet (Minister of Public Works and Minister of State for Urban Affairs): Mr. Speaker, that matter was looked into very closely by Central Mortgage and Housing Corporation officials. The subject is not new. It has been considered for several years already. The Ontario government has just carried out an investigation on that matter and of course the recommendations made following that investigation were studied very closely by all those who are involved in residential construction in Canada.

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SOCIAL SECURITY

REQUEST GUARANTEED ANNUAL INCOME BE PAID IMMEDIATELY APPLICATION IS FILED

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Considering that, according to the media today, almost half of the pensioners who received the guaranteed income supplement did not complete and return the forms which make them eligible for the program, can the minister assure the House that it is not too late to file an application and confirm that her department can send their cheques in the course of the following month to those pensioners who hurry?

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, I imagine the hon. member is referring to the old age security pension supplement. As economic circumstances of families can change, an application should be made on a special form at the beginning of each year. As a

matter of fact, I can assure the hon. member that to date only a few pensioners have not received their cheques regularly. If the forms are returned as soon as possible, the deliveries of supplementary cheques should proceed in the usual way.

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[*English*]

CULTURAL AFFAIRS

REQUEST FOR FINANCIAL ASSISTANCE FOR WINNIPEG SYMPHONY ORCHESTRA

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have a question for the Secretary of State with respect to the financial crisis being confronted by the Winnipeg Symphony Orchestra.

May I readily admit that the primary responsibility in this case rests with the government of Manitoba and the corporate donors in my province. But in view of the fact there are times when Ottawa has to speak and act for all of Canada, and in view of the importance to Canada of this orchestra being continued, will the Secretary of State consider seriously finding some way in which Ottawa can join with the government of Manitoba to keep this orchestra alive?

Hon. John Roberts (Secretary of State): Mr. Speaker, I am well aware of the importance of this orchestra and share the hon. member's concern over it. Indeed, I attended one of its performances in New York city a few weeks ago, a gala occasion which both President Carter and our Prime Minister originally had agreed to attend.

There is no program within my department which would enable me to assist in terms of offering support for the orchestra. At the federal level, the only means by which we could provide support would be through the Canada Council. I should be very happy to draw to the attention of the Canada Council the representations which the hon. member has made today and with which I very strongly sympathize.

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LOTO CANADA

LOSS INCURRED IN WITHDRAWING LOTO SELECT PROGRAM

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I should like to direct a question to the Minister of State (Fitness and Amateur Sport). The report tabled in the House of Commons some time ago, in February, dealing with Loto Select indicated at page 11 the following:

> Furthermore, in early August, Loto concluded that prudence required it to recognize a resolution to the federal provincial discussions and the possible withdrawal of Loto Canada from the $1 loto game. Thus, as early as mid-August, Loto, where it was feasible to do so, postponed a number of decisions—

Considering that on ten occasions in the House of Commons the minister has not denied that it was a $23 million contract, and that on the December 10 CBC program, Sunday Morning, she called it a $23 million contract, how in that eight-week period did the contract escalate from $23 million to $47 million, which is the figure used in the report as the amount they were trying to do away with?

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, my understanding is that the first figure was for one year and the full figure was for a three-year possible contract. When the hon. member brings up that there was a potential agreement with the provinces, he does not take into account that that was not a full agreement by all of the provinces involved. It took us until October 5 to resolve it finally.

Mr. Dick: Mr. Speaker, another good reason why this report should go to committee is that it seems to be misleading in indicating, on one hand, $23 million and now $47 million. However, the minister indicated in the House, as reported at page 1979 of *Hansard*, that the contract with General Instrument was one of lease. Yet in the report at page 6 it is noted that the contract allowed for a purchase arrangement during this period. Was the contract, in fact, one of lease, one of purchase, or was it perhaps one of purchase at the end of the lease arrangement?

Mrs. Campagnolo: Mr. Speaker, "leased" is the correct term.

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IMMIGRATION

PROTEST AGAINST TREATMENT OF TWO CHILEAN REFUGEES

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Minister of Employment and Immigration regarding a case which is gathering interest by leaps and bounds. It has been on his desk since 1975 at least.

An hon. Member: Boloney.

Mr. Alexander: I am referring to Federico and Ingrid Luchsinger, refugees from Chile. Apparently these two people are now before the Security Advisory Board without any opportunity of rebutting false, incomplete or wrong allegations. What is of even more concern is that I want to know how it is possible for the minister to give these people six ministerial deferments prior to the time that he found something wrong whereby the matter should be referred to the Security Advisory Board.

Hon. Bud Cullen (Minister of Employment and Immigration): Mr. Speaker, the hon. member fails to stress that they are here under ministerial permit; in other words, they are here because I said they could be here. We got the report on security and as ministers responsible in this area we think we have a responsibility to the Canadian public to check it out. The Security Advisory Board is one more opportunity for the facts presented in this particular case to be screened so that I can decide what weight to give to the representations made.

The hon. member said that on no less than five or six occasions I indicated it was all right for them to be here. Now they are seeking landed immigrant status. Because they are seeking that new status, I thought it was appropriate to check it out. That is exactly what is being done. It is not as though they are going through some tribunal. In fact, this is an organization which is in a position to help me determine what weight should be given to the evidence advanced.

Mr. Alexander: Mr. Speaker, I find this whole procedure quite offensive. I find it a denial of natural justice because we are talking about a procedure at trial wherein people have no opportunity to rebut false, incomplete or wrong allegations.

Is there no procedure whatsoever whereby these people can give their side of the story, which I believe is equally important, in order that the minister will have all the facts, rather than just some of them, to come to a truthful determination about this matter? Does the minister not think that suggestion warrants very serious consideration?

● (1500)

Mr. Cullen: Mr. Speaker, the hon. member is going to put this couple in a unique position that is not available to anybody else without residence in this particular country, suggesting that everyone who goes through this procedure, be they abroad or in Canada, should have this particular access. I do not think that is appropriate.

I have an obligation to protect the security of this country. I have received representations and I want to know what weight to give this particular evidence. I have put it before a security board composed of three gentlemen of unquestioned reputation to help me determine what weight should be given to the evidence that has been advanced. This is one of the fairest systems available.

An hon. Member: Nonsense: what about Chile?

Mr. Cullen: The hon. member over there screams about Chile. I would remind him that we took 7,000 refugees from Chile.

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INCOME TAX

POSSIBLE ATTACHMENT OF CHILD TAX CREDIT TO REDUCE ARREARS—GOVERNMENT POSITION

Mr. Jack Hare (St. Boniface): Mr. Speaker, my question is for the Minister of National Revenue and Minister of State (Small Business). In view of the position of the Minister of National Health and Welfare, that the $200 child tax credit cannot be attached for back rent by the Winnipeg Housing Authority, which is 75 per cent funded by the federal government, will the Minister of National Revenue take the position that the $200 child tax credit cannot be attached for income taxes owed to his department by taxpayers who are in arrears?

Time Allocation

Hon. A. C. Abbott (Minister of National Revenue and Minister of State (Small Business)): Mr. Speaker, in terms of the 1978 income tax year, I have no discretion whatever. Any tax owing is deducted from any refund. In years previous to that I do have discretion and I have indicated the intent to exercise that discretion in favour of the taxpayer.

* * *

POINT OF ORDER

MR. NIELSEN—REQUEST FOR EXPANDED REFERENCE TO STANDING COMMITTEE

Mr. Erik Nielsen (Yukon): Mr. Speaker, I rise on a very brief point of order and I direct it to the government House leader. I have asked him about this several times in the past. I refer to the unanimous vote of this House and a reference to the Standing Committee on Justice and Legal Affairs, in an expanded way, of the reconstitution of the subcommittee on penitentiaries. I noted that the Solicitor General (Mr. Blais) was in his seat a moment ago. I wonder if he has succeeded in tracking down this elusive gentleman in order to give me an answer on the re-establishment of that subcommittee?

Hon. Allan J. MacEachen (Deputy Prime Minister and President of Privy Council): Yes, Mr. Speaker, I have had a discussion with the Solicitor General (Mr. Blais) and we both agree that it would be appropriate to have a reference provided to the committee in accordance with the expression of opinion of the House of Commons.

ROUTINE PROCEEDINGS

[*English*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

Second report of Standing Committee on Finance, Trade and Economic Affairs—Mr. Kaplan.

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[*Translation*]

FINANCIAL ADMINISTRATION ACT

MEASURE TO AMEND

Hon. Marc Lalonde (Minister of Justice) moved for leave to introduce Bill C-52, to amend the Financial Administration Act (garnishment and attachment).

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

Time Allocation

[*English*]

BUSINESS OF THE HOUSE

ALLOTMENT OF TIME TO CONSIDER REPORT AND THIRD READING STAGES OF BILL C-42

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, pursuant to Standing Order 75C, I move, seconded by the Deputy Prime Minister and President of the Privy Council (Mr. MacEachen):

That, in relation to Bill C-42, an act to provide a means to conserve the supplies of energy within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada, not more than one sitting day shall be allocated, if necessary, to the further consideration of the report stage of the said bill and not more than one sitting day shall be allocated, if necessary, to the third reading stage of the said bill; and

That, not later than 15 minutes before the expiry of the time provided for government business in each such sitting, any proceeding before the House shall be interrupted, if required, for the purpose of this order and, in turn, every question then necessary in order to dispose of the report stage or third reading stage, as the case may be, of the said bill shall be put forthwith and successively, without further debate or amendment.

Some hon. Members: Hear, hear!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order.

Mr. Peters: Are we going to trust him with our emergencies?

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I feel that I should be rising on a point of stupidity rather than on a point of order, for I have seldom seen such an unwise move on the part of the government so far as the procedures of this House are concerned.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): However, since the motion has been presented seriously by the Minister of Energy, Mines and Resources and Minister of State for Science and Technology (Mr. Gillespie), I feel there is a point of order that must be raised.

Standing Order 75C says, in part:

A minister of the Crown who from his place in the House at a previous sitting has stated that an agreement could not be reached under the provisions of Standing Order 75A or 75B in respect of proceedings at the stage at which a public bill was then under consideration—

How in the world can the motion that the minister read out to you be fitted into those terms? The motion is not exactly as it was in the notice he gave yesterday, but I do not quarrel with that; it is along the same lines. The motion is in two parts. It proposes, first of all, a limitation of debate on the report stage. Mr. Speaker, where has the minister been? Does he not know that the report stage debate ended last night? Now he proposes in a motion that there be granted to the report stage, if necessary, not more than another day.

An hon. Member: More delay.

[Mr. Lalonde.]

Mr. Gillespie: You didn't look at the motion yesterday.

Mr. Knowles (Winnipeg North Centre): I looked at the motion yesterday and I thought it was stupid then, and the government House leader knew it before it was even proposed. The fact of the matter is that the debate at the report stage is over. If someone tries to argue now that there are three recorded votes to be taken, I would reply that no further debate is permitted before those votes are taken. After those votes are taken there has to be a vote on the acceptance of the report of the bill, and no debate is allowed there. But what Standing Order 75C refers to is debate. There can be no more debate, and therefore I suggest that that part of the motion is a nullity and completely out of order.

● (1510)

Then, Mr. Speaker, there is the other part of the motion which proposes that there be not more than one day allotted to third reading. That is where we are, at the brink of the third reading stage. However, the Standing Order says "that an agreement could not be reached under the provisions of Standing Order 75A or 75B in respect of proceedings at the stage at which a public bill was then under consideration". Third reading stage is not under consideration. We have not started it.

Those of us who were involved in the proceedings of the committee that drew up these rules, even though we did not like them, knew that the whole idea was to find a means to end debate at the request of the government when that debate was going on too long. In this case we are back to old C. D. Howe himself. The Minister of Energy, Mines and Resources—

Mr. Speaker: Order, please. As the hon. member for Winnipeg North Centre (Mr. Knowles) knows, if and when the question is before the House he will have an opportunity to debate whether it is a wise move or whether it is similar to other moves. The point the hon. member is raising now is one of a point of order to the effect that the motion ought not to be put for some reason or another and that we ought to proceed to the calling of the question in this way.

With respect to the hon. member's second point which he is on now, I would like the hon. member for Winnipeg North Centre to address two problems that I have. The first point is that while the hon. member is perfectly correct—and the point has obviously occurred to the Chair as well—that the effort of the motion to cover a stage which has concluded in terms of discussion is now redundant, nevertheless at the time the notice was given the stage was still before the House and the notice is required. Therefore, since the notice was required at a time when the stage was before the House, the notice had to include that stage.

In the interval the stage terminated, making the motion redundant. Presumably the House now has to insist that the motion conform to the notice or be in the same terms, otherwise I am sure that the complaint would be that the motion differs from the notice. It seems to me that there is a trap and that the only cautious way to conform to the Standing Order,

having given the notice at a time when the stage was in existence, is to at least put the motion forward in the form which conforms to the notice.

I would also like the hon. member to address the second point, which is this. The language of Standing Order 75C says particularly:

—an allocation may be proposed in one motion to cover the proceedings at both the report and the third reading stages on a bill—

Obviously, the only time that that can be done is at the report stage, because if it is done at the third reading stage, the report stage is already finished. Since two stages can be included in one motion, and those two stages are the report stage and the third reading stage, I would like the hon. member to discuss how else that could be done in terms of that language than on a motion of the kind that is in front of me now.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, the fact is that the situation has changed since yesterday. Yesterday we were still debating the report stage and, therefore, it was possible for that debate to be carried on or for an attempt to be made to cut off that debate. But that debate is now over and you, sir, have admitted that that part of the motion proposed by the minister is redundant, a nullity and out of order. The only portion of the motion that can be considered now is the portion which relates to third reading.

I do not see how the notice of yesterday, which is now in a different situation and therefore has in it something that has gone by the board, can apply to today's situation. Today we are at the point where third reading is about to begin. It is not possible for the minister to say that agreement could not be reached under the provisions of Standing Order 75A or 75B at the stage at which a public bill was then under consideration. It has as yet not been under consideration at all. I do not see how the minister can rely on the fact that yesterday we were still at the report stage to claim the right to present a motion covering two stages.

As for the right set out in the Standing Order—and we had this raised on a point of order in another instance this session—to move a motion covering two stages of debate, there are not now two stages of debate. The report stage of the debate is over and we are about to begin the third reading stage. I submit that the attempt to do that goes beyond the provisions of Standing Order 75C. If the minister had given notice the day before and sought to move that motion yesterday, or if the report stage had not been completed last night, I would have to agree that the motion is in order. However, we are in a new situation. We are at the point where the only debate left is the third reading debate. It has not proceeded, and I submit on that basis the motion falls.

If you, Mr. Speaker, find it in order—and frankly I do not see how you can, sir, because I think that there is a clear case for our side—the question will also arise—and I think that we should know before we get into what is involved—as to what is a sitting day. That phrase "a sitting day" occurs in a number of places in this Standing Order. It has been determined on a number of occasions that a sitting day for a government item consists of the day from the moment orders of the day are called, and it has to be all of that day to meet the definition of "a sitting day". Today, however, when orders of the day are called there will be three recorded votes on the report stage amendments, so it will be an hour later before we start the debate at third reading. I would say, therefore, Mr. Speaker, that a sitting day will have to be decided by you if it works out that way.

There is also the little problem of what we do about moving from report stage to third reading stage, since it requires unanimous consent on a day on which a vote has been taken; but here I am probably getting into the stupidity of the proposal rather than the fact that it is out of order. It seems to me, apart from the fact that the whole matter would have gotten through more quickly if the whole motion had not been proposed at all, that the motion is a flagrant abuse of Standing Order 75C, that the minister is trying to move under 75C a closure motion on third reading stage before debate has started, when the Standing Order says very clearly that it has to relate to the impossibility of achieving agreement with respect to proceedings at the stage at which a public bill was then under consideration. We have not reached that stage yet, so I contend that the minister has no right to present this motion at this time.

Mr. Speaker: Order, please. With respect, the hon. member for Winnipeg North Centre—and I will hear other hon. members—has not dealt with the matter that is so central to the argument. The Standing Order says that the report stage and the third reading stage can be contained in one motion.

Mr. Knowles (Winnipeg North Centre): But the report stage is over.

Mr. Speaker: The second point which the hon. member was arguing, if I understand him correctly, is that a motion cannot be put before the House dealing with a stage that has not yet begun and is not under consideration at the time. If I were to accept that argument then, in fact, we could never entertain a motion which dealt with both report stage and third reading. Obviously, the only time that that application can be made is when we are at report stage which, and in and of itself, says that we have not begun third reading yet.

Since the language of the Standing Order says that those two stages can be part of one motion, if I were to accept the hon. member's argument, I would have to accept that we cannot implement that paragraph of the order. As the hon. member knows, we implemented that paragraph just recently to cover both the report stage and third reading of a bill.

I would like the hon. member to deal with these points before I give the floor to the hon. member for Grenville-Carleton (Mr. Baker).

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, you are quite right that not long ago on another bill a motion was made when we were still at the report stage to cover both the remainder of the report stage and third reading. It is also quite

true that I raised a point of order in that regard and that you overruled me. So it is established that when we are at the report stage of a debate it is in order to move a motion covering it and the third reading stage. But we are not at that point. The report stage debate is over.

● (1520)

Mr. MacEachen: You should read the order paper. It says "Resuming consideration of report stage"—order No. 42.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, my hon. friend must not have been here last night either. He says we are resuming consideration. All of us know that that debate ended and no motion at all can revive that debate.

Mr. MacEachen: No. There are three votes to be taken and also concurrence of report stage, and you say it is over?

Mr. Knowles (Winnipeg North Centre): Yet the Minister of Energy, Mines and Resources proposes in his motion that a day be allotted—he says "not more than one day"—to a stage that cannot be debated at all and can last only a short while.

In reply to your direct question, Mr. Speaker, I do not think my contention rules out the possibility of using Standing Order 75C with respect to third reading, but it does rule out the possibility of using it before third reading is started unless we are still at report stage. That is the gist of rule 75C. As a matter of fact, it is even the gist of the old 1913 rule of closure. You do not close things off before they have even started. There has to have been at least some debate.

In the situation where you have report stage and then third reading, the debate is going on. Although I did not like the position, I accept it as a ruling that when you are at the report stage you can present a motion covering both stages; but the report stage debate is over and I submit, therefore, that at this point one has to act as if only the third reading stage of the debate was left.

So far as third reading stage is concerned, we are governed by the language of the Standing Order which says that a motion can be moved only if it was not possible to reach agreement "in respect of proceedings at the stage at which a public bill was then under consideration." It is on this ground that I feel this motion is contrary to the provisions of the rule and is a flagrant abuse of it.

Mr. Speaker: Order, please. Before I hear the hon. member for Grenville-Carleton (Mr. Baker), the hon. member for Bellechasse (Mr. Lambert) and the Parliamentary Secretary to the President of the Privy Council (Mr. Pinard), the thought occurs to me, as I am sure it has to other hon. members, that in the circumstances, since the notice which was given yesterday was in order, since the motion which is put forward today may bring some difficulties with it because it now refers to a stage on which discussion is finished, although votes remain, the notice having to be in the form it was yesterday and the motion having to conform to that notice, and since discussion on that stage of the bill finished last night, the obvious solution would be to require the deletion of those portions of the motion today which relate to a stage that is now finished.

[Mr. Knowles (Winnipeg North Centre).]

Some hon. Members: No, no.

Mr. Speaker: That is a possible solution that I will have to consider.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, the rules of the House are there to protect the government once in a while, and quite appropriately so. They are also available to protect members of the House and certainly, although the hon. member for Winnipeg North Centre (Mr. Knowles) did not raise the matter, the rules ought to be strictly construed.

It is axiomatic that if you agree the rules are here to ensure that the rights of parliament are not trampled upon, then the Chair has to come to grips with the fact that the motion presented today is substantially different from the notice of that motion given yesterday, aside from the foolishness of the motion in the first place, and the absolute foolishness of moving it today in view of what happened in the House leaders' meetings yesterday, on which I cannot elaborate. That is the first point I want to raise.

The second point is that I want to support what was said by the hon. member for Winnipeg North Centre regarding his interpretation of Standing Order 75C. I agree with the statement made by Your Honour, and agreed to reluctantly by the hon. member for Winnipeg North Centre, regarding the construction to be put upon the ruling you made on another day. At the time at which that notice was given and the motion argued in the course of third reading, I want to emphasize as best I can that the circumstances were so different as to be the difference between night and day. This underscores the foolishness of bringing forward a motion to close yesterday, after notice was given but before the motion could be argued today, one of the stages with respect to which the notice applies having been dealt with by the House. It is finished, by agreement.

Mr. MacEachen: Not at all. We have four votes to call.

Mr. Baker (Grenville-Carleton): There was agreement, Mr. Speaker, to such an extent that the whip of this party sent notice to all of us that the vote would be deferred until today. That is the position we are in. That matter in concluded.

Surely, sir, when a motion is made in two parts which some would be prepared to construe as being possible under the rule—that is, that a motion can cover two parts—if one part of that motion is a nullity, I argue that the whole motion is a nullity.

I think Your Honour must address yourself to that point as well. There is no half loaf in this matter. Either the motion is valid or it is not. If it is a nullity, then this motion, which was unnecessary in the first place, does not stand before the House and ought to be ruled out of order. That is the third point, Mr. Speaker.

Fourthly, I think in this situation perhaps the time has come for the Minister of Energy, Mines and Resources (Mr. Gillespie) to come to his senses and tell us how much time he really wants to deal with this bill. Now that we have dealt with report stage, now that it is completed and we are going to have votes in a few minutes, he may find that we do not have the anxiety he seems to have to delay the debate another two days. Perhaps the government should take quite seriously the admonition given them about bringing forward this kind of motion in the first place.

Mr. Cafik: Make it a House order.

Mr. Baker (Grenville-Carleton): The deputy House leader of the government interjects and says "a House order". Of course, if we can agree there could be a House order. The government has indicated in their motion a period of time within which they would like this matter to be completed. I wonder if we can have this matter discussed to see if we can complete it within the time suggested by the order. I think there is a certain matter of consultation that ought to go on that obviously has not taken place in this case. I have come to the conclusion that for political purposes alone the government is conspiring to delay this piece of legislation.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I have obviously a number of rather difficult choices to make. It occurs to me that we are getting into a situation that has a number of ironies. If I accept the theory that report stage of this bill is over—

An hon. Member: That is a fact, not theory.

Mr. Speaker: If I accept that argument, it would seem to me that what remains are some votes ordered by the House. If I accept that position then I presume that if I do not let this motion go ahead at this time, the third reading of the bill begins today without consent. Because the position is that we are not dealing with report stage and third reading on the same day because the contention has been put forward that report stage is finished.

If that is the case, then I would think the sensible thing for the Chair to do would be to accede to the arguments, strike down this order, call the votes that had been ordered and then call third reading of the bill after orders of the day, which means that third reading would then commence. That does not put it under a time allocation order but at least it begins the debate. That would seem to me to be a sensible course.

Mr. Baker (Grenville-Carleton): Mr. Speaker, with respect to that matter I presume that it was never the government's intention not to deal with Bill C-42. If this solution you have put forward is acceptable to the government, it is acceptable to us and has been acceptable to us for some considerable time. We are not anxious to delay the bill. If you do accede—

● (1530)

Mr. Pinard: The Speaker said he would recognize two hon. members. Why is he speaking again?

Mr. Baker (Grenville-Carleton): —to the argument put forward by this side, namely that the motion put by the government is a nullity for a number of reasons, then I undertake with you, and through you to members on the other side, that we have no objection whatsoever to starting third reading debate immediately after the bell; and if hon. members now say they want to enter into discussions with respect to the appropriate time, that, of course, is what we have wanted the government to do for some period of time.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, yours is a very difficult task indeed and sometimes, as it is the case today, we unintentionally make it still more difficult.

Mr. Speaker, through this point of order I should like to call the attention of the House and the Chair to the fact that yesterday the minister gave notice of his motion before the debate on Bill C-42 could continue, as reported in *Hansard* on page 4281. Anyone examining his statement on the allocation of time to consider the report and third reading stages of Bill C-42 might wonder whether the time thus allocated refers only to the time spent debating the motions at the report stage, or also the time spent voting on the various motions. As I understand it, the minister stated: "Therefore, I wish to give notice that a minister will move, at the next sitting of the House, that not more than one additional day be allocated, if necessary . . ."—this "if necessary" is very important—"to each of the said stages of the said bill". That is why I keep asking myself this question: When the debate came to an end yesterday, the minister or the government might have demanded that the question be put forthwith. Then, Mr. Speaker, would the issue which has been raised today after the minister moved his motion, as currently drafted, have been raised? I suggest not.

On the other hand, if the time allocated under yesterday's motion must include the necessary time for voting, I suggest that the motion as drafted warrants the use of the expression "report stage". This issue should be referred to our Standing Committee on Procedure and Organization for the purpose of preventing the repeat of a situation similar to that which is occurring today. Be that as it may, I think that the report stage will be over only after the vote is taken, because the motion does not determine whether the time allocated is only for the particular debate. The text refers only to the time allocated for the report stage. But in my opinion the report stage is not over as long as the question has not been put. That is what I wanted to draw to your attention, Mr. Speaker. The time has now come for a decision, and such decisions are generally fairly wise.

[*English*]

Mr. Clark: Bail them out, Alastair!

Hon. Allan J. MacEachen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I would draw to your attention that there have been four statements from the opposition benches on this point. I would hope that before a decision is made you would permit those of us who disagree with the point of view that has been put by the other side to make our points.

An hon. Member: What is stopping you?

Mr. MacEachen: I am not particularly interested in making the procedural argument if we can reach some other conclusion.

Mr. Clark: Smile, Alastair.

Mr. MacEachen: Yesterday morning there was a discussion with party representatives in which an attempt was made to secure an agreement placing a particular time limit on the remaining two stages of the bill. I am not going into the details of the discussion because these are not usually divulged, but it was necessary for the minister, before he gave his notice, to tell the House that that attempt had failed and that it was not possible to reach an agreement. It is for that reason that the minister gave notice yesterday that he would move a motion today providing two additional days maximum for the bill.

The hon. member for Winnipeg North Centre (Mr. Knowles), quite apart from his arguments, which I do not accept, has been forthcoming. The hon. member for Grenville-Carleton (Mr. Baker) has said "I want to get the bill through quickly." I would say that if we can reach an agreement now for a House order which would provide that we could dispose of third reading not later than six o'clock tomorrow evening, which would give hon. members quite a bit of extra time, then I would suggest to the minister that he ask the consent of the House to withdraw his motion.

If that is not agreeable, I will have to argue the point of order and attempt to show what seems to be obvious, that we are still at the report stage of Bill C-42. There has been a fundamental fallacy argued today that the only part of a stage of a bill that is consequential is the discussion. We all know that discussion is important, but perhaps more important than the discussion is the decision.

There are at least three decisions to be taken. There is a decision to be taken on the concurrence of the report stage of the bill. If the report stage has disappeared and no longer exists, why do we have order No. 42 on the order paper reading: "Resuming consideration of report stage of Bill C-42"? Why is it there? Why is it recorded in the official record of the House, namely *Votes and Proceedings,* that votes have been deferred on the report stage of Bill C-42? If it is decided by some imagination that reality does not apply any more, and if we say the report stage is no longer before us, then it would be open to an hon. member to get up when you, sir, call the votes and argue with you, Mr. Speaker, that the report stage has disappeared. Because if you accept the argument of the hon. member for Winnipeg North Centre, that is exactly what will have been ruled.

It seems to me that these are the arguments that we would want to make. To show that there is a procedural foundation for our position, I wanted to make that statement. However, if it is the wish of the House, as has been expressed by the hon. member for Winnipeg North Centre and the hon. member for Grenville-Carleton, to agree through a House order that we will finish third reading not later than the end of the day tomorrow, then with the consent of the House we will withdraw this motion and make a House order bringing that about. That seems to be in the spirit of the suggestion which was made.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I can understand why the minister feels badly about the position which the Minister of Energy, Mines and Resources has put him in. If I were in the position of the Deputy Prime Minister, I would feel badly too. Following along the acknowledgement that he has made about the offer in terms of time, the acknowledgement of the offer I made to discuss this matter privately—but he has chosen publicly, and that is fine with me—I do not know whether it will take that long. If that is what the minister is interested in, we in the official opposition are prepared to agree to six o'clock tomorrow. I assume it is the intention of the minister, and our agreement is based on this, not to delay consideration of the bill further and to follow along the suggestion made by Mr. Speaker that we begin third reading of the bill immediately after the vote is taken. I notice the government House leader is nodding his agreement.

• (1540)

Mr. MacEachen: Yes, to both questions.

Mr. Baker (Grenville-Carleton): He has answered yes, to both questions. Therefore, Mr. Speaker, this may be one point you do not have to decide. For once, sweet reason prevails.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, it would be unfortunate if we were denied the opportunity of hearing your ruling on this point of order. I notice that Your Honour is smiling at that. One has to be careful in these statements on the floor in referring to discussions that have taken place off the floor, but I think it is open to me to say to the Deputy Prime Minister that he knows I offered at twelve o'clock today to agree to the very proposition he has made, namely that there be no closure motion but instead we accept a House order to end debate by six o'clock tomorrow night. If he had gone along with that, we would have saved this three quarters of an hour's discussion.

Mr. Pinard: Why didn't you say so yesterday morning?

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I said it to the Deputy Prime Minister by telephone at noon today and it still stands. We are prepared to agree that the third reading stage end by six o'clock tomorrow.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I personally do not see any reason why everybody should relieve you of the responsibility of making that decision.

Mr. Speaker: Order, please. If we are going to decide this by way of an order at the present time, obviously it will take the consent of the House to make an order. Any hon. member who does not want to consent to it is, of course, in the position to do so and I will have to come back, I suppose, and make a decision. Before I know that this resolution can be tried, I do not know how I can continue to hear argument on the merits of this position we were in a moment ago. There has been a suggestion now by the leaders of all the parties of the House—

[*Translation*]

Judging from the last intervention of the hon. member for Bellechasse, I think he agrees to settle the problem in the proposed manner. The hon. member for Bellechasse.

Mr. Lambert (Bellechasse): Mr. Speaker, thank you for inviting me to finish my remarks. What I wanted to convey a moment ago was that in my opinion the report stage is not over as long as the question has not been put, even if it is deferred. That is how I see things. If the House agrees that the minister should withdraw his motion, I would be in full agreement because it would prevent us from wasting two hours which we could spend on the study of the bill. We will have the same amount of time for debate and I think we will have made a smart move and that in future we will think twice before deferring the vote, particularly on such a sensitive question. Mr. Speaker, a moment ago, I was hoping that the Deputy Prime Minister and President of Privy Council (Mr. MacEachen) would indicate in his remarks that in his mind the motion, as regards the time allotted to report stage or third reading, also includes the time needed to hold the vote. Otherwise it should be clearly stated that it concerns only the time allotted for debate and that there will be additional time for voting. I would like this matter to be clearly defined so that we would at last know exactly where we stand on this matter. However, if the House wishes to continue in the direction that has been proposed, I will not object and neither will my party.

[*English*]

Mr. Speaker: I see two other members rising in their places, but I have a proposal before me which requires the unanimous consent of the House. I have a proposal to withdraw a motion from consideration and to introduce another order of the House.

Some hon. Members: Agreed.

Mr. Peters: Mr. Speaker, I see no reason why there should be unanimous consent to allow the minister to withdraw this motion. He is a member of the government. He is a cabinet minister and he introduced it. He talked to his House leader and he knew that this arrangement could have been made before. He just wanted to make a big show in Toronto showing how brave he is with a closure motion. He is asking a lot by asking the House to allow him to withdraw after putting the motion forward. In order to save you the difficulty, Mr. Speaker—because it will be a difficult ruling no matter which way you go—I will agree to unanimous consent being given. However, I think this is an abuse of the minister's powers.

Mr. Allan Lawrence (Northumberland-Durham): I will be very brief, Mr. Speaker. I just want to make a couple of points. Initially, and I am sure the Chair will agree, we would not be in this procedural wrangle now if there had not been a call for the actual votes to be taken.

The second point is whether or not those votes would have been deferred. Because the question of intent and attitude has already entered into some of the arguments before you, I would like to point out that it was the minister's action which called for recorded votes over the objection of members of the opposition. That is the first point.

On the question whether the votes should be deferred or not, again it was the attitude and the expressed wish of the minister that those votes be deferred. In effect, the minister is the author of his own predicament. I hope he will learn his lesson.

There is a very brief argument I want to make to Your Honour, because if you do not make a ruling now, you will have to make it at some time in the future. This hassle or determination of the meaning of this particular rule is going to come before you again if it is not decided by you now. If the report stage has not been concluded, which is the argument of the Deputy Prime Minister, how did the House move on to Bill C-38? We could not have proceeded to move on to Bill C-38. There was no adjournment motion. Bill C-38 was called by the Chair because obviously the debate on the report stage was over. There is no other way.

Mr. Speaker: We obviously can chase this argument around all afternoon. The point in the final analysis comes to this. I can wrestle with a very difficult procedural decision, but the longer the House reflects on it the more it will realize that in the procedural decision there may be no winners, that in the situation we are in I can come down on one side or the other of a particular finding.

The fact is that the finding that is essential to victory on one side may in fact be self-defeating on another argument, and similarly on the other side. Accordingly, I happen to celebrate the fact that the House has drawn itself to this position. I hope all hon. members join me in that position.

That being the case, there has been an application for consent upon the condition that an order be made dealing with the termination of third reading by tomorrow at six o'clock, and that the present motion standing in the name of the Minister of Energy, Mines and Resources, seconded by the Deputy Prime Minister, be now withdrawn.

Mr. MacEachen: On that point, Mr. Speaker, I am not being quarrelsome but I just wonder if it is necessary to ask for withdrawal. I wonder whether the motion has been put. The hon. member for Winnipeg North Centre raised his point of order before the motion had been put, and if it had been put

there would be no ruling. I am not worried but I would just draw that to your attention.

● (1550)

Mr. Speaker: As a matter of fact, the point is well taken. The motion was read by the Chair, but before the question was put the hon. member for Winnipeg North Centre quite properly raised a point of order and we began deliberation on it. In any case, the motion is not now before the House. What is before the House, by the consent of the House just given, is a motion by the President of the Privy Council, seconded by the Minister of Energy, Mines and Resources, that all questions necessary to dispose of the third reading stage of this bill be put tomorrow at six o'clock—

Some hon. Members: Or before!

Mr. Speaker: —not later than tomorrow at six o'clock, and that the House launch upon consideration of the third reading stage of the bill later this day immediately following the deferred report stage divisions.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 708, 1,028, 1,032, 1,128, and 1,129.

I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[*Text*]

TRAINING EXERCISE—N.B.

Question No. 708—**Mr. Jones:**

1. What was the reason for the 24 hour stop just south of Fredericton, New Brunswick during a training exercise involving the 2nd Battalion in October, 1974?

2. Have new four-wheel drive vehicles since been purchased and if so what was the total cost?

3. What was the total cost of the original plans to purchase the four-wheel drive vehicles?

Hon. Barney Danson (Minister of National Defence):

1. There is no record of a 24-hour stopover south of Fredericton in October, 1974 by the 2nd battalion of any regiment.

2. Yes. $51,773,088.

3. $67,960,000.

[Mr. MacEachen.]

MEDICAL SERVICES

Question No. 1,028—**Mr. Herbert:**

1. What is the estimated cost to the government of its share of the amount paid by provincial governments for payments for medical services received by Canadians while in foreign countries?

2. Has the government considered a *per diem* tax for Canadians returning to Canada to cover medical expenses incurred while in a foreign country?

Hon. Monique Bégin (Minister of National Health and Welfare): In so far as the Department of National Health and Welfare is concerned:

1. In 1977-78 the estimated amount paid for out-of-country services was $20.8 million for services covered under the Hospital Insurance Program and $5.5 million for services covered under the Medical Care Program, for a total of about $26.3 million. The federal share of such costs under the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977 comes to about 50 per cent, or approximately $13.2 million, taking into account both cash contributions and the value of tax points transferred to the provinces.

2. No.

DR. WILLIAM JAFFE

Question No. 1,032—**Mr. Diefenbaker:**

1. Did the government give its consent to the Government of France to confer on Dr. William Jaffe the Legion d'Honneur and, if so, on what date?

2. Did the government give its consent to the granting of the Award, some time ago, of Chevalier of the Order of the Legion d'Honneur on Premier Levesque and, if so, on what date?

Mr. Louis Duclos (Parliamentary Secretary to Secretary of State for External Affairs):

1. The French government was informed on April 5, 1978 of Canadian approval of its request to award the "Order of the Legion of Honour" to Mr. William Jaffe in recognition of his contribution to France through his various publications.

2. The Government of Canada was informed of the possibility of Mr. Lévesque being awarded a decoration by the French government but was not asked to agree to it. In November, 1977 the Canadian government reminded the French authorities of Canadian practice regarding the granting of foreign awards to Canadian citizens.

CANADIAN FORCES SUPERANNUATION ACCOUNT

Question No. 1,128—**Mr. Knowles (Winnipeg North Centre):**

1. What was the total amount at credit in the Canadian Forces Superannuation Account as at March 31 (a) 1976 (b) 1977 (c) 1978?

2. What rate of interest has the government paid for the use of this money during the fiscal years ending on the dates noted above?

3. What amount of interest was credited to the Canadian Forces Superannuation Account during the fiscal years ending March 31 (a) 1976 (b) 1977 (c) 1978?

4. What was the total amount paid of the Canadian Forces Superannuation Account during the fiscal years ending March 31 (a) 1976 (b) 1977 (c) 1978?

Hon. Barney Danson (Minister of National Defence):

1. Balance in the Canadian Forces Superannuation Account as at:

	CFSA	Actuarial Liability Account	Total
31 Mar 76	2,186,562,695.73	4,270,267,250.56	6,456,829,946.29
31 Mar 77	2,263,362,998.98	4,742,803,872.70	7,006,166,871.68
31 Mar 78	2,333,827,474.93	5,204,825,818.72	7,538,653,293.65

2. Rates of Interest for:

(a) 1975/76	1. Quarter ending 30 Jun 75	1.6612 per cent
	2. Quarter ending 30 Sep 75	1.6724 per cent
	3. Quarter ending 31 Dec 75	1.7109 per cent
	4. Quarter ending 31 Mar 76	1.7209 per cent
(b) 1976/77	1. Quarter ending 30 Jun 76	1.7471 per cent
	2. Quarter ending 30 Sep 76	1.7488 per cent
	3. Quarter ending 31 Dec 76	1.7707 per cent
	4. Quarter ending 31 Mar 77	1.7891 per cent
(c) 1977/78	1. Quarter ending 30 Jun 77	1.8102 per cent
	2. Quarter ending 30 Sep 77	1.8204 per cent
	3. Quarter ending 31 Dec 77	1.8372 per cent
	4. Quarter ending 31 Mar 78	1.8508 per cent

3. Amount of interest credited to CFSA during fiscal year ending:

	CFSA	Actuarial Account	Total
31 Mar 76	85,565,010.91	157,615,710.88	243,180,721.79
31 Mar 77	88,547,963.29	176,486,622.14	265,034,585.43
31 Mar 78	91,476,814.34	198,022,138.53	289,498,952.87

4. Payments out of CFSA during fiscal year ending:

31 Mar 76	172,352,486.95
31 Mar 77	189,680,605.01
31 Mar 78	207,873,360.29

CANADIAN ARMED FORCES SUPERANNUATION

Question No. 1,129—**Mr. Knowles (Winnipeg North Centre):**

1. In each year 1959 to 1978 (a) how many personnel of the Canadian Armed Forces have commenced drawing pensions under the Canadian Forces Superannuation Act (b) how many widows have commenced drawing pensions under the said Act?

2. In each year 1959 to 1978, how many pensions under the Canadian Forces Superannuation Act to (a) retired Canadian Armed Forces personnel (b) widows of such personnel, have been discontinued because of the death of the annuitant?

3. In each year 1946 to 1978, how many service personnel contributed to the pension or annuity account under the former Part V or under the provisions of the present Canadian Forces Superannuation Act?

Hon. Barney Danson (Minister of National Defence):

1. (a) Personnel of the armed forces retired to pension in:

1959	752	1966	3,407	1973	3,357
1960	1,048	1967	2,983	1974	3,478
1961	1,418	1968	2,787	1975	3,459
1962	1,343	1969	4,050	1976	3,003
1963	1,623	1970	4,075	1977	3,124
1964	2,454	1971	4,267	1978	3,388
1965	3,419	1972	4,405		

(b) Widows who commenced drawing pension:

1959	98	1966	263	1973	441
1960	121	1967	303	1974	478
1961	166	1968	303	1975	470
1962	179	1969	371	1976	554
1963	207	1970	323	1977	527
1964	208	1971	375	1978	574
1965	283	1972	420		

2. (a) Retired pensioners deceased in:

1959	91	1966	208	1973	379
1960	103	1967	243	1974	524
1961	114	1968	295	1975	496
1962	127	1969	353	1976	513
1963	142	1970	356	1977	507
1964	169	1971	331	1978	384
1965	190	1972	323		

(b) Widows of pensioners deceased in:

1959	9	1966	39	1973	12
1960	12	1967	45	1974	30
1961	17	1968	56	1975	39
1962	19	1969	50	1976	58
1963	26	1970	52	1977	28
1964	28	1971	24	1978	38
1965	34	1972	11		

3. Number of CFSA contributors:

1946	212,692	1955	118,077	1964	120,781
1947	36,535	1956	116,678	1965	114,164
1948	34,762	1957	117,092	1966	107,467
1949	41,676	1958	119,038	1967	105,584
1950	47,185	1959	120,412	1968	101,572
1951	68,427	1960	119,597	1969	98,340
1952	95,394	1961	120,055	1970	93,353
1953	104,427	1962	126,474	1971	89,563
1954	112,529	1963	123,693	1972	84,933
		1973	82,402		
		1974	79,921		
		1975	79,639		
		1976	79,772		
		1977	80,546		
		1978	80,032		

[*English*]

Mr. Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

Energy Supplies

GOVERNMENT ORDERS

[*English*]

ENERGY SUPPLIES EMERGENCY ACT, 1979

MEASURE TO CONSERVE STOCKS

The House resumed from Monday, March 19, consideration of the report stage of Bill C-42, to provide a means to conserve the supplies of energy within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada, as reported (with amendments) from the Standing Committee on National Resources and Public Works.

Mr. Speaker: Pursuant to the order made Monday, March 19, 1979, the House will now proceed to the taking of the deferred divisions on the report stage of Bill C-42.

Call in the members.

The House divided on motion No. 1 (Mr. Gillespie), which was agreed to on the following division:

(*Division No. 37*)

YEAS

Messrs.

Abbott
Allmand
Anderson
Andres
(Lincoln)
Appolloni (Mrs.)
Baker
(Gander-Twillingate)
Béchard
Bégin (Miss)
Benjamin
Blackburn
Blais
Blaker
Blouin
Boulanger
Breau
Brewin
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss)
(South Western Nova)
Campbell
(LaSalle-Émard-Côte
Saint-Paul)
Caron
Chrétien
Clermont
Collenette
Comtois
Corbin
Côté
Cullen
Cyr
Danson
Daudlin
Dawson
De Bané
Demers
Dionne
(Northumberland-
Miramichi)
Douglas
(Bruce-Grey)
Douglas
(Nanaimo-Cowichan-
The Islands)
Duclos
Dupont
Dupras
Duquet
Ethier
Faulkner
Fleming
Flynn
Foster
Fox
Francis
Gauthier
(Ottawa-Vanier)
Gendron
Gillespie
Goodale
Guilbault
Harquail
Herbert
Holt (Mrs.)
Hopkins
Horner
Isabelle
Johnston
(Westmount)
Joyal
Kaplan
Knowles
(Winnipeg
North Centre)
Lachance
Lajoie
Lalonde
Lambert
(Bellechasse)
Lamontagne
Landers
Lang
Langlois
Laniel
Lapointe
Leblanc
(Laurier)
LeBlanc
(Westmorland-Kent)
Lefebvre
Leggatt
Lessard
Loiselle
(Chambly)
Loiselle
(Saint-Henri)
Lumley
MacEachen
MacGuigan
Maine
Marceau
Marchand
Martin
McIsaac
McRae
Milne
Munro
(Hamilton East)
Nicholson (Miss)
Nystrom
O'Connell
Orlikow
Ouellet
Parent
Pearsall
Penner
Peters
Philbrook
Pinard
Portelance
Prud'homme
Rae
Railton
Raines
Reid
Roberts
Rodriguez
Rompkey
Rooney
Roy
(Laval)
Saltsman
Sauvé (Mrs.)
Savard
Smith
(Saint-Jean)
Stollery
Symes
Tessier
Trudel
Turner
Watson
Whelan
Wood
Yanakis
Young—130.

[Mr. Speaker.]

NAYS

Messrs.

Alexander
Alkenbrack
Andre
(Calgary Centre)
Baker
(Grenville-Carleton)
Balfour
Beatty
Brisco
Cadieu
Clark
(Rocky Mountain)
Clarke
(Vancouver Quadra)
Coates
Corbett
Cossitt
Crosby
(Halifax-East Hants)
Darling
de Cotret
Dick
Diefenbaker
Dinsdale
Elzinga
Epp
Forrestall
Gauthier
(Roberval)
Gillies
Grafftey
Halliday
Hare
Hees
Hnatyshyn
Howie
Huntington
Janelle
Jarvis
Jelinek
Jones
Kempling
Korchinski
Lambert
(Edmonton West)
La Salle
Lawrence
MacDonald (Miss)
(Kingston and the
Islands)
Malone
Masniuk
Mazankowski
McCain
McGrath
McKenzie
McKinley
Mitges
Muir
Munro
(Esquimalt-Saanich)
Murta
Neil
Nielsen
Nowlan
Paproski
Parker
Patterson
Pigott (Mrs.)
Ritchie
Roche
Rynard
Schellenberger
Scott
(Hamilton-Wentworth)
Scott
(Victoria-Haliburton)
Siddon
Skoreyko
Stanfield
Stewart
(Marquette)
Stewart
(Cochrane)
Towers
Wenman
Whiteway
Wise
Woolliams
Yewchuk—76.

● (1620)

Motion No. 1 (Mr. Gillespie) agreed to.

Mr. Speaker: The question now is on motion No. 2 in the name of the hon. member for Northumberland-Durham (Mr. Lawrence).

The House divided on motion No. 2 (Mr. Lawrence), which was negatived on the following division:

(*Division No. 38*)

YEAS

Messrs.

Alexander
Alkenbrack
Andre
(Calgary Centre)
Baker
(Grenville-Carleton)
Balfour
Beatty
Benjamin
Blackburn
Brewin
Brisco
Cadieu
Clark
(Rocky Mountain)
Clarke
(Vancouver Quadra)
Coates
Corbett
Cossitt
Crosby
(Halifax-East Hants)
Darling
de Cotret
Dick
Diefenbaker
Dinsdale
Douglas
(Nanaimo-Cowichan-
The Islands)
Elzinga
Epp
Forrestall
Gauthier
(Roberval)
Gillies
Grafftey
Halliday
Hare
Hees
Hnatyshyn
Howie
Huntington
Janelle
Jarvis
Jelinek
Jones
Kempling
Knowles
(Winnipeg
North Centre)
Korchinski
Lambert
(Bellechasse)
Lambert
(Edmonton West)
La Salle
Lawrence
Leggatt
MacDonald (Miss)
(Kingston and the
Islands)
Malone
Masniuk
Mazankowski
McCain
McGrath
McKenzie
McKinley
Mitges
Muir
Munro
(Esquimalt-Saanich)
Murta
Neil
Nielsen
Nowlan
Nystrom

Messrs.

Orlikow
Paproski
Parker
Patterson
Peters
Pigott (Mrs.)
Rae
Ritchie
Roche
Rodriguez
Rynard
Saltsman
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Siddon
Skoreyko
Stanfield
Stewart (Marquette)
Stewart (Cochrane)
Symes
Towers
Wenman
Whiteway
Wise
Woolliams
Yewchuk—90.

NAYS

Messrs.

Abbott
Allmand
Anderson
Andres (Lincoln)
Appolloni (Mrs.)
Baker (Gander-Twillingate)
Béchard
Bégin (Miss)
Blais
Blaker
Blouin
Boulanger
Breau
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Caron
Chrétien
Clermont
Collenette
Comtois
Corbin
Côté
Cullen
Cyr
Danson
Daudlin
Dawson
De Bané
Demers
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Duclos
Dupont
Dupras
Duquet
Ethier
Faulkner
Fleming
Flynn
Foster
Fox
Francis
Gauthier (Ottawa-Vanier)
Gendron
Gillespie
Goodale
Guilbault
Harquail
Herbert
Holt (Mrs.)
Hopkins
Horner
Isabelle
Johnston (Westmount)
Joyal
Kaplan
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Langlois
Laniel
Lapointe
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lefebvre
Lessard
Loiselle (Chambly)
Loiselle (Saint-Henri)
Lumley
MacEachen
MacGuigan
Maine
Marceau
Marchand
Martin
McIsaac
McRae
Milne
Munro (Hamilton East)
Nicholson (Miss)
O'Connell
Ouellet
Parent
Pearsall
Philbrook
Pinard
Portelance
Prud'homme
Railton
Raines
Reid
Roberts
Rompkey
Rooney
Roy (Laval)
Sauvé (Mrs.)
Savard
Smith (Saint-Jean)
Stollery
Tessier
Trudel
Turner
Watson
Whelan
Wood
Yanakis
Young—114.

● (1630)

Motion No. 2 (Mr. Lawrence) negatived.

Mr. Speaker: The question now is on motion No. 5 in the name of the hon. member for Sault Ste. Marie (Mr. Symes).

The House divided on motion No. 5 (Mr. Symes), which was negatived on the following division:

(*Division No. 39*)

YEAS

Messrs.

Benjamin
Blackburn
Brewin
Douglas (Nanaimo-Cowichan-The Islands)
Knowles (Winnipeg North Centre)
Leggatt
Nystrom
Orlikow
Peters
Rae
Rodriguez
Saltsman
Symes—13.

NAYS

Messrs.

Abbott
Alexander
Alkenbrack
Allmand
Anderson
Andre (Calgary Centre)
Andres (Lincoln)
Appolloni (Mrs.)
Baker (Gander-Twillingate)
Baker (Grenville-Carleton)
Balfour
Beatty
Béchard
Bégin (Miss)
Blais
Blaker
Blouin
Boulanger
Breau
Brisco
Buchanan
Bussières
Caccia
Cadieu
Cafik
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Caron
Chrétien
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Clermont
Coates
Collenette
Comtois
Corbett
Corbin
Cossitt
Côté
Crosby (Halifax-East Hants)
Cullen
Cyr
Danson
Darling
Daudlin
Dawson
De Bané
de Cotret
Demers
Dick
Diefenbaker
Dinsdale
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Duclos
Dupont
Dupras
Duquet
Elzinga
Epp
Ethier
Faulkner
Fleming
Flynn
Forrestall
Foster
Fox
Francis
Gauthier (Roberval)
Gauthier (Ottawa-Vanier)
Gendron
Gillespie
Gillies
Goodale
Grafftey
Guilbault
Halliday
Hare
Harquail
Hees
Herbert
Hnatyshyn
Holt (Mrs.)
Hopkins
Horner
Howie
Huntington
Isabelle
Janelle
Jarvis
Jelinek
Johnston (Westmount)
Jones
Joyal
Kaplan
Kempling
Korchinski
Lachance
Lajoie
Lalonde
Lambert (Bellechasse)
Lambert (Edmonton West)
Lamontagne
Landers
Lang
Langlois
Laniel
Lapointe
La Salle
Lawrence
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lefebvre
Lessard
Loiselle (Chambly)
Loiselle (Saint-Henri)
Lumley
MacDonald (Miss) (Kingston and the Islands)
MacEachen
MacGuigan
Malone
Marceau
Marchand
Martin
Masniuk
Mazankowski
McCain
McGrath
McIsaac
McKenzie
McKinley
McRae
Milne
Mitges
Muir
Munro (Esquimalt-Saanich)
Munro (Hamilton East)
Murta
Neil
Nicholson (Miss)
Nielsen
Nowlan
O'Connell
Ouellet
Paproski
Parent
Parker
Patterson
Pearsall
Philbrook
Pigott (Mrs.)
Pinard
Portelance
Prud'homme
Railton
Raines
Reid
Ritchie
Roberts
Roche
Rompkey
Rooney
Roy (Laval)
Rynard
Sauvé (Mrs.)
Savard
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Siddon
Skoreyko
Smith (Saint-Jean)
Stanfield
Stewart (Marquette)
Stewart (Cochrane)
Stollery
Tessier
Towers
Trudel
Turner
Watson
Wenman
Whelan
Whiteway
Wise
Wood
Woolliams
Yanakis
Yewchuk
Young—190.

● (1640)

Motion No. 5 (Mr. Symes) negatived.

Energy Supplies

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology) moved:

That Bill C-42 to provide a means to conserve the supplies of energy within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada, as reported (with amendments) from the Standing Committee on National Resources and Public Works, be concurred in.

Motion agreed to.

Mr. Speaker: When shall the bill be read the third time?

Some hon. Members: Now, by order.

Mr. Speaker: By order, now?

Some hon. Members: Agreed.

Mr. Gillespie moved that the bill be read the third time and do pass.

He said: Mr. Speaker, in rising to take part in the third reading debate on this important bill I want to deal with a number of points that were raised by members of the opposition at report stage.

A number of major issues are involved. The first is whether Canada may be faced with an emergency and whether Canada should take action now to deal with that emergency. It was quite clear when listening to hon. members opposite that they have a very relaxed attitude to this question of a possible emergency, and I think we have seen evidence of that relaxed attitude throughout this debate. Yesterday we had a chance to bring this debate to a conclusion through agreement.

Mr. Lawrence: A week ago today.

Mr. Gillespie: The hon. member says it was a week ago today but he and his party filibustered this bill for five days. The Tory party took five days of precious House time at report stage. They took five days to go over a lot of ground that we went over in committee. I think that is scandalous and I think it is irresponsible.

When the House leaders met yesterday it would have been possible to come to the agreement which we were subsequently able to do in the House this afternoon. It would have been possible to do that yesterday and there would have been no necessity to move closure. I have no regrets that we moved closure and time allocation. I think this is what brought them to their senses.

Throughout this debate we have witnessed a party that says there is no emergency now. They say: "We do not really have to worry about any emergency for weeks or months to come. Forget Iran. Do not worry about multinational corporations and how they are going to reallocate crude oil supplies. We do not need a bill like this. There is not going to be any emergency."

As I have indicated, that relaxed attitude pervaded the behaviour of the official opposition throughout. It was best exemplified by their attitude last week when we spent five days on report stage, three of which were spent on one of their own amendments. They said that amendment was needed in order to give parliament time to consider the important question of a national emergency—a national emergency which the Government of Canada would declare. They wanted to remove the provision which requires parliament to deal with the declaration of an emergency in three days. In other words, they wanted the energy supplies allocation board and the whole mandatory allocation and rationing system to be left in a position of some uncertainty. That is the only interpretation that can be put on their remarks unless one adopts the interpretation of the House leader of the official opposition when he said: "You do not need approval of parliament after three days' debate because you can move closure". He was saying we could use the power to move closure and require only two days' debate, whereas in the bill the government has provided for three days and a certainty of conclusion of the debate.

It was apparent that the opposition was not interested in bringing this matter to a conclusion until they were forced to by the political backlash when the country became aware that they were spinning the debate out. I think the country was aware that this bill went through the House once before. There was something like eight days' consideration in committee and eight days for second reading once before. This time we had three days for second reading, five days at report stage, and eight to twelve meetings of the committee. It was clear that the attitude of the opposition to this bill, as to the possible emergency—indeed, probable emergency if one listens to many of the experts on energy matters—is very relaxed and they are not anxious to see the bill passed before the House is dissolved. They would leave Canada without the power to deal with an energy emergency during a dissolution of parliament. I believe that is downright irresponsible.

This is not surprising when we think about the attitude of the opposition toward energy questions. It has been their record on energy for the length of this parliament. The Leader of the Opposition (Mr. Clark) has never interested himself in energy policy questions. He has taken the view: "We will let Alberta decide; maybe Premier Lougheed will have an idea. I will not say anything; I will hang back and let others do it for me." He is incapable of putting Canada first, Mr. Speaker. Why else would he have ducked the important question of pricing? Why else would the Leader of the Opposition continue to repeat banalities with respect to Petro-Canada? He would like to get rid of it. The Leader of the Opposition has not been prepared to talk on the hard energy policy issues. He has abdicated any responsibility for energy policy questions.

One way that he might be able to justify that inactivity is to say that we do not need this bill because there is not going to be any emergency. It is surprising to us but, when we think about it, still consistent with the position of the opposition party when they take this relaxed attitude toward the necessity of providing legislation and powers to deal with an emergency. It is surprising that they would be prepared even at this late date to say: "Let the multinationals do the job. Let Exxon look

after Canada; we do not need Petro-Canada. We are prepared to go with the multinationals to sort out Canada's problems." That position was put forward by the official critic for the Conservative party.

I am going to deal with the International Energy Agency and the Importance of Petro-Canada being part of the standing group on emergency questions at the International Energy Agency. The first amendment we dealt with a few moments ago was opposed by the official opposition. The official opposition did not want Petro-Canada to be the watchdog for Canada at the standing group on emergency questions in the International Energy Agency.

● (1650)

I talked about the opposition's relaxed attitude. That is something we have seen emerge in this debate, evidenced by their saying "let the multinationals do it" and their not being prepared to face up to pricing questions. As well it was evidenced by their opposition to Petro-Canada and the whole attitude toward the importance of getting this bill through and getting it through quickly.

Another issue in the debate, part of the official opposition's position, was that the government was asking for too much power. The official opposition said there was no emergency and that there would not be an emergency. Therefore, we could take all the time we wanted even though we will be facing an election without the powers to deal with one.

Let us look at some opposition charges. Most of those charges seem to be based on taking at face value a particular presentation made to the committee by the Ontario government, a presentation which examination has proved was based on a whole series of false premises and assumptions. It was one of the most shoddy pieces of work ever presented before a parliamentary committee. It was not based on any objective seeking for the truth. It was based, as I indicated in a public statement, on some misguided effort to try to embarrass the government. One can only speculate why the Conservative government of Ontario—perhaps itself in some difficulty with energy questions in Ontario—would take this moment to try to shift the limelight away from themselves and place it on us. As a result of that shoddy piece of work and inept presentation on the part of the spokesman for the Ontario government, upon examination of the case it seems the Ontario government has come out very much second best.

I regret the official energy critic for the Conservative party, the hon. member for Northumberland-Durham (Mr. Lawrence), has identified himself so quickly with some of the remarks in that presentation, arguments which suggested that through this bill the Government of Canada could bankrupt the gas transmission distribution system in Canada. That was the position of the Ontario government. However, the testimony placed before the committee clearly indicated that there are measures, protections and appeal mechanisms which can prevent any kind of arbitrary move. I believe that case has been made and made convincingly. I wait to hear whether we will still hear that again from the hon. member for Northumberland-Durham.

The leader of the debate from the opposition side showed no readiness or willingness to look at the way the powers which the government was seeking in this bill could be controlled by parliament or how those powers would be made available and published in the form of amendments to allocation programs or orders dealing with mandatory allocation.

I believe it was the hon. member for Sault Ste. Marie (Mr. Symes) who put his finger on it best when he said that it was quite clear that the amendments introduced by the hon. member for Peace River (Mr. Baldwin) and supported by the hon. member for Northumberland-Durham, the energy critic for the Tory party—which did not come to a vote because after a while I suspect the Tories became embarrassed by the nature of them—were designed to subvert the intentions of the act. If these amendments had been accepted by this House they would have so cut and emasculated—to use the words of the right hon. member for Prince Albert (Mr. Diefenbaker) in some of his remarks—the administrative process that it would be impossible to deal with the emergency which this particular bill is designed to cope with in the event an emergency comes about. God hopes it does not, but let us be safe rather than sorry.

That has not been the attitude of the official opposition. As I have indicated, the position of the official opposition is to recognize no urgency. They do not recognize that the administration is complex or that it will be dealing with hundreds of thousands of separate transactions. It will be dealing with particular regions, and regional aspects differ from place to place in this great country. There is no recognition that priorities may be changed through the advice of the provinces. There has been no recognition that certainty is needed in the administration of emergency measures. The Tory opposition closed its eyes and stuck its head in the sand when it came to deal with this bill. Its intelligence has been covered up because it has been buried in the sand.

I have indicated that there is a provision for parliamentary approval after a declaration has been announced. There is provision in the act which requires that orders and amendments to orders be tabled before parliament so that Canadians may know what the emergency supplies allocation board is doing. I would be the first to recognize that there are very significant powers associated with this board. But when one is dealing with an emergency and something as strategic as energy on which our whole economy depends, surely it would be foolhardy not to provide the necessary powers and flexibility, and indeed, as we have, the necessary process of parliamentary approval, so that the job can be done.

There was a charge of a degree of unfairness somehow or other introduced into the administrative process, and no recognition that this possible unfairness could be redressed. Answers to those charges were also placed on the record and set out in detail during committee stage.

In the balance of my remarks I would like to deal with the International Energy Agency and the part it may have in

triggering the need by the Government of Canada to declare an emergency under the terms of this act.

I am looking at the clock, and with your permission, Mr. Speaker, I would like to call it five o'clock and resume my remarks on this important aspect of the bill after the adjournment.

[*Translation*]

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

• (1700)

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

POINT OF ORDER

MR. HERBERT—BILL C-232—RETENTION OF POSITION ON ORDER PAPER

Mr. Deputy Speaker: Before dealing with the order of business which according to the order paper will be called today, we might attempt to complete discussion on the point of order raised by the hon. member for Vaudreuil (Mr. Herbert) on March 16 and give hon. members who have indicated their interest in this matter an opportunity to express their point of view.

As hon. members are aware, on March 16 the hon. member for Vaudreuil raised as a point of order the fact that Bill C-232, to amend the Holidays Act, having been considered at report stage and debated at the third reading stage on March 13, 1979, ought to have retained its precedence on the order paper and remained at the beginning of the list of private members' business, public bills. Some members from both sides have already expressed opinions on the issue. Unless they have something new to add, I hope they will not repeat the contribution they have already made. I will give priority to those who have not yet contributed to the debate. Following this discussion, I hope to make a decision this afternoon.

Mr. Gordon Towers (Red Deer): Mr. Speaker, speaking strictly to the point of order, I believe the suggestion made by the hon. member for Vaudreuil (Mr. Herbert) is entirely out of order. According to the customs of this House, after having been debated for an hour in the House, a private member's bill automatically falls to the bottom of the list. I do not intend to speak long. Some of my colleagues will also have something to say on this bill.

I wish to give Your Honour a precedent. The hon. member for Windsor-Walkerville (Mr. MacGuigan) presented Bill C-208, referred to as the Heritage Day bill, which also was a bill dealing with the Holidays Act. It was handled in exactly the same way as this bill has been handled. First reading was given October 15, 1974, page 374 of *Hansard*. Second reading was given on March 18, 1975. At that time the motion was put by the hon. member for Winnipeg North Centre (Mr. Knowles) for the hon. member for Windsor-Walkerville, presumably because the hon. member for Windsor-Walkerville was not in attendance. That can be found at pages 4215 and 4216 of *Hansard*.

The bill was reported from the Standing Committee on Justice and Legal Affairs and amended to "National Heritage Day" on April 22, 1975, page 5079 of *Hansard*. Third reading was debated February 13, 1976, pages 10944 to 10951 of *Hansard*. One hour was allotted to that private member's bill. The time expired and it went to the bottom of the list. I suggest if Your Honour does otherwise today, you will be setting a precedent since this has never happened.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my intervention will also be brief. First I want to correct a misunderstanding I had when I made my preliminary comments. I thought at that time we were still at report stage, but we were, of course, at third reading stage of that bill.

I wish to present an argument to your Honour with regard to the order in which this bill should stand, namely at the bottom of the list of private members' bills, and take its turn. To accept the suggestion that this bill remain at the top of the list would give no opportunity for any other bill to have second reading. In other words, if there had been an inclination, as I suspect there may have been, to carry this particular bill and read it out each time, we would never have reached order No. 9, No. 13 and, most important, No. 16 standing in the name of the hon. member for Esquimalt-Saanich.

I feel we should not be deprived of the opportunity to present our bills, each of us in our turn, the hon. member for Burnaby-Richmond-Delta (Mr. Siddon) and the hon. member for Prince George-Peace River (Mr. Oberle). An opportunity should be given for each of these bills to have second reading and not be pre-empted by having a bill which has been dealt with at second reading and report stage, at the suggestion of the mover of that bill, remain at the top of the list to the detriment of other bills.

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, as I understand the situation, and I know that you or some member of the House will correct me if I am wrong, the long-standing tradition has been that we simply do not have enough time to deal in a sensible and fair way with the large number of private bills presented by private members in this House so that each one has a full hearing and reaches its logical conclusion with an eventual vote. Obviously there are not enough hours in the day, days in the week and weeks in the month to do this with the very large number of private members' bills that are presented.

Every year there is a draw made. That is an eminently fair way of handling it. That draw picks out the priority for each of these private members' bills. They are then presented to the House in that order of priority. From time immemorial it has always been the gambit of the government in power, no matter

what its political complexion may be, that those private members' bills rarely come to a vote.

Let us not be mealy-mouthed about it. The position is that nine-tenths of the bills are embarrassing to the government. That invariably results in most bills being talked out. That is the parliamentary phrase for people saying one thing while really not wanting it to come to a vote.

I have no strong views one way or the other on the merits or demerits of the hon. member's bill because I have not looked at it that carefully. However, I do know this. Those bills have been proceeded with quite regularly on the basis of the draw. Once a member's bill is talked out, not having reached a vote in the private member's hour, it automatically goes to the bottom of the list. To all intents and purposes, that means it is dead for that session. We really have not whined, complained or belly-ached about that in the past. Most members realize that that is the rule of the game before getting into it. I have had a private member's bill on the list for two years. It has not been reached. It is so far down the list this year that I know darned well it will not be reached.

Quite frankly, it is an effrontery for another member who enters into that course of action, knowing the rules, traditions and practices, and because of some actions of members on his own side or perhaps members on all sides of the House the bill is talked out, for some extraordinary reason to think he is aggrieved and therefore wants another kick at the can. He wants that bill left at the top of the list so that next time it can come up again. That is basically the appeal that has been put to you. Let us not clothe it in parliamentary terms; let us put the stark, naked facts in front of the House. Somebody feels he has been aggrieved because his bill has been talked out.

• (1710)

If you take it upon yourself to change the system, Mr. Speaker, I suggest you are opening up a hornet's nest. I do not know on what grounds the Chair could change this rule; there may be something hidden in the depths of the green book which gives you that authority, but I doubt it. If the Chair does have such authority it has never been cited. I suggest to you, Mr Speaker, that if you do exercise it on this occasion there are likely to be 347 bills on the list of private members' bills in respect of which the same appeal will be made. In such a ridiculous situation, the government itself would be obliged to step in. I am not saying this in any partisan way. Usually, no matter which party is in power it is in that party's interest to see a private member's bill come to a vote. If Your Honour establishes a precedent simply on the basis of a private member's bill having been talked out, then every member is going to be appealing to you and demanding that his bill come to a vote. My suggestion is that this would prove more embarrassing to the government than it would ever be to any opposition.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I commence with the well known words that "I had no intention of taking part in this debate". That happens to be true. I see an argument on both sides. I suspect that the argument which wields most strongly against the hon. member for Vaudreuil (Mr. Herbert) is that it has been done before the way it has been done this time. But the remarks just made by the hon. member for Northumberland-Durham (Mr. Lawrence) did prompt me to get to my feet. He tries to argue that if Your Honour allows this bill to be at the top of the list the same arguments will be raised with regard to 200 or 300 other bills on the order paper. I would remind the hon. member that this bill has already been given second reading. It went to committee, got committee approval and came back at the report stage for third reading.

It is certainly true that if the Speaker allows this bill to stay at the top of the list, then any other bill which gets committee approval and comes back here would be entitled to the same treatment. But it does not follow that all the bills which were talked out on second reading would have a case for being put at the top of the list.

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, regardless of the stage which the bill has reached in the parliamentary process, it is still a most discriminatory proposition that it be given preferred treatment to the detriment of every other bill introduced. I do not understand how the hon. member can feel he has the right to make such an appeal against a practice which has been followed, without exception to the best of my knowledge, during the 22 years which I have sat in this House. Nor do I understand why the House is using 15 minutes of the private members' hour to discuss a procedural matter of this kind. I do not believe it ought to be before the House regardless whether the bill in question has progressed to third reading stage. The whole proposition is contrary to the practice and precedents of the House and it is an affront to every other member here that we should even be discussing it.

[*Translation*]

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the last hon. member who gave his point of view indicated that no precedent or procedure could justify the request made by the hon. member for Vaudreuil (Mr. Herbert). But to date there is no precedent either of an hon. member's private bill at the third reading stage which has been ignored in favour of other bills at the second reading stage.

Mr. Deputy Speaker: The hon. member for Red Deer (Mr. Towers) on the same point of order.

[*English*]

Mr. Towers: Mr. Speaker, the hon. member said no precedents had been given. Perhaps the parliamentary secretary was absent from the chamber when I spoke but I did cite a precedent—Bill C-208 presented by the hon. member for Windsor-Walkerville (Mr. MacGuigan). That is the point I made. He is changing the precedent which was set in the case of that bill, and I should like the hon. member to recognize that point.

Mr. Deputy Speaker: That is why I allowed the hon. member to have the floor, so that he could make that correction.

[*Translation*]

Mr. Pinard: Mr. Speaker, there are in fact Standing Orders which govern the proceedings of the House. If hon. members complain about the large number of so-called private members' bills and the fact that the House cannot deal with all of them during a single session, I agree with them. That is a shortcoming which a parliamentary reform should correct. However, Mr. Speaker, there is a Standing Order which is quite clear and which establishes an order of priority for private members' bills.

Mr. Baker (Grenville-Carleton): Which Standing Order?

Mr. Pinard: Standing Order 20. One may or may not agree with its provisions, Mr. Speaker. One could also be in favour of a parliamentary reform. I, for one, am all for it. However, until such time as those good wishes become reality through everyone's co-operation, I feel we have no choice. We are bound by Standing Order 20 which, in this instance, determines the order of precedence of private members' bills. Such is not the case for government bills of public interest; Standing Order 20 applies to private members' bills we are dealing now. If the Standing Orders of the House did not prescribe that order of precedence, there would be no problem.

Standing Order 20(1) is very clear. Unless otherwise provided, and no other provision is mentioned, the day to day precedence, and here we are not speaking of going from one session to another, on the order paper of private members' business shall be as follows: first, third reading and passage of bills. Then follows a list of business in which second reading of bills ranks quite low. That is the situation. Hon. members may have personal feelings about it. Wishes can be expressed that the House update its procedure and hon. members be given more opportunity to study public bills during the hour set aside for private members' bills. All sorts of reforms can be suggested. But until such time as they are accepted, regardless of how acceptable they may be, we must respect the Standing Orders of the House. That is very clear.

If Standing Order 20 did not prescribe that order of precedence, specifically for private members' business, the problem would not even arise. So, reading that Standing Order, I wonder whether we should apply it or not. If we must, we must, though I admit that this may be hard to accept for those hon. members whose bills have yet to be discussed. But we must ask ourselves what the intention was of the legislator or whoever conceived of this rule. Why, at some point, was an order of precedence prescribed for private members' bills? The only logical argument I can find is that it was doubtless presumed that once a bill had been discussed on second reading and, as the hon. member for Winnipeg North Centre (Mr. Knowles) pointed out, reported from committee, it would probably take very little time to pass third reading, and thus this would in fact do little to hamper other bills that have reached second reading. That is the only logical argument I see which could have prompted the person or persons who drafted rule 20 prescribing an order of precedence, but they undoubtedly wanted precisely not to allow it to be said that during private members' hour nothing ever gets passed, bills are systematically talked out. Once a bill manages to pass second reading without being talked out, then let us give it priority and pass it—for once a bill is not killed on second reading. It passed the committee stage. Hear, hear! Then it is passed on third reading, and we go back to the other bills on second reading most of which do not go beyond the second reading stage because they are talked out.

Mr. Speaker, that is the rationale I see behind S.O. 20.(1). If a bill has passed all stages and reached third reading it would be unfair to say: Although you were not killed on second reading, you will never see the light of day because there are a multitude of other bills before you. There is a rule which says you have priority, you have gone beyond second reading in committee, you go first. You are going to be passed on third reading, and then we are going back to other bills.

That is the only rationale I see behind the rule. Once again, Mr. Speaker, in conclusion I will say that my argument might seem very academic, it applies to this case but we are bound by the rules. I am not suggesting I agree with the procedure as it exists; what I say is that we do not have a choice. The procedure exists, it must be applied until it is changed. I would agree to having it changed eventually, but in the meantime, I respectfully submit that we do not have any choice and the rules must be applied as they exist.

● (1720)

[*English*]

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, not only is the argument of the parliamentary secretary academic, but it is also terribly unfair to private members of the House of Commons who have little enough opportunity, as the parliamentary secretary knows, to have matters considered.

I know that the Chair is mindful of the precedent cited by the hon. member for Red Deer (Mr. Towers) with respect to Bill C-208 standing in the name of the hon. member for Windsor-Walkerville (Mr. MacGuigan). From looking at Standing Order 20, one could make the argument, if one confines one's eyes to that which appears in Standing Order 20(1) only, that certainly there is an order of precedence established as follows: "Third reading and passage of bills". If that was all the Standing Order said, I would have to agree with the parliamentary secretary, but it goes on. There is another paragraph on the next page which may have escaped him. The marginal note says "On adjourment or interruption". I am going to quote that paragraph because it applies to what we are dealing with here. It says this:

After any bill or other order in the name of a private member has been considered in the House or in any committee of the whole and any proceeding

thereon has been adjourned or interrupted, the said bill or order shall be placed on the order paper for the next sitting at the foot of the list under the respective heading for such bills or orders.

The paragraph refers to the foot of the list, not the head of the list. It refers to the foot of the list under the respective heading for such bills or orders. There is nothing in that paragraph which relates it back to those headings which are set forth in Standing Order 20(1) for the purposes of precedence. The paragraph is at least equivocal with respect to that matter. I think it goes much further than being equivocal. However, it is at least equivocal, and if that is the case, I think the ordinary rules and traditions of this House ought to apply, particularly in view of the precedent with respect to the bill which stood in the name of the hon. member for Windsor-Walkerville.

There is another reason why that precedent ought to apply, aside from its existence, and why that interpretation ought to govern in this matter, and that is because of the fact that there are extremely few opportunities for members of this House to have matters of importance to them—not just to one or a few members, but matters which are important to a great number of members—considered by the House of Commons. I say, with respect, that the precedent with regard to Bill C-208 in the name of the hon. member for Windsor-Walkerville is important and ought not to be disregarded by the Chair.

Fairness is also important, as is the tradition of the rights of members to express themselves. Also important is the principle that, if there is any doubt at all with respect to how the Standing Orders should be interpreted, they ought to be interpreted in favour of permitting the House the widest possible latitude and fairness; and I think they ought to be interpreted in favour of other members rather than the hon. member for Vaudreuil (Mr. Herbert), who has had almost unprecedented opportunity with respect to private members' matters compared with opportunities of other members on matters which they feel are important. With respect, I think the Chair ought to protect that right.

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, I have just two points to make. I agree with all the previous speakers about the problem of lack of time in private members' hour. I will not argue that point at all. However, I do not think that is the issue at this point.

I think only one new point has been raised. I made an oblique reference to it in my initial remarks, at which time I was well aware of the bill in the name of the hon. member for Windsor-Walkerville (Mr. MacGuigan) and the position in which it found itself after one hour of debate. The difference is that the situation was not contested at that time. In fact, if hon. members remember the circumstances, there was a good reason why it was not contested. The hon. member himself was happy to see that his bill did not come back for another debate in the House at that time. I think that point is not particularly relevant. The point is that it was not contested.

I am contesting now. I am suggesting that a ruling be made. I do not want to continue the debate any longer. I am asking that Your Honour indicate whether you feel under the circumstances that Standing Order 20(1), to which we have already referred, shall be the order of precedence, under which circumstance I would expect that a bill which is at the third reading stage and which has been debated should fall into the list of those bills which are at the third reading stage.

[*Translation*]

Mr. Deputy Speaker: I wish to thank hon. members for their contributions to this debate and for trying to enlighten the Chair.

[*English*]

The decision I have to make cannot be based on sentiment. It has to be based on the Standing Orders, on precedents, on practices and on traditions, and by making an off-the-cuff decision I would not make this institution progress.

I am not ready to accept some of the arguments which were put to me. I will single out two of them. One was the argument of the hon. member for Cumberland-Colchester North (Mr. Coates). It is not because we are dealing with private members' hour and because the time for debate is limited that we should not attach the same importance to points of order or questions of privilege as we do in other debates or at other times. In that sense I feel that this point of order is an important one and we might lose more time than we should—but I must say that once we have started a debate on such a point of order, it is better to carry it through to its conclusion and make the decision which can be useful to the House and to this institution in the months and years to come in order to save a lot of time.

● (1730)

At the same time the other point made by the hon. member for Northumberland-Durham (Mr. Lawrence), trying to corner the Chair about the fact that we may be faced with all kinds of subsequent points of order from 264 members, is something I have to eliminate from my mind. As I said, I have to base my decision on the Standing Orders and precedents. When this point was raised I took the opportunity to examine it, and two questions came to my mind. The first one was to examine the practices and precedents. One of these precedents has been raised by the hon. member for Red Deer (Mr. Towers). I have many other precedents which I could enumerate to hon. members if they have the patience to listen.

On April 7, 1967, Bill C-46 was debated for second reading and it appeared as No. 11 on the list of private members' business but the next time it appeared on the order paper was April 10, and it was listed as No. 171. It was then identified as follows:

House again in committee of the whole on Bill C-46, an act to amend the Parliamentary Secretaries Act.

It was proposed by the then hon. member for Carleton, Mr. Bell. This is one indication whereby a bill, as was the practice, left a priority place on the order paper and was moved to the end of the list.

Also there are Bills S-6 and S-7. Both of these bills appeared on Thursday, February 13, 1969, as respectively Nos. 1 and 2 on the order paper. They were debated as reported from the Standing Committee on Finance, Trade and Economic Affairs. On March 25, when they reappeared, they were at the end of the list as Nos. 6 and 7. Bill S-6 was an act respecting the Canada Trust Company. Bill S-7 was an act respecting the Huron and Erie Mortgage Company. Of course, they were Senate bills.

On March 13, 1969, there was Bill C-101 appearing in the name of Mr. Lind. The constituency name was not mentioned. It was an act respecting London and Midland General Insurance Company, and it appeared as No. 1 under private bills. It was moved after it had been debated in committee of the whole. It appeared subsequently on October 22 at the end of the list as No. 5. It was listed as follows:

House again in committee of the whole on Bill C-101—

This bill was debated once at that stage, and the next time it appeared on the order paper it was at the bottom of the list.

Also Bill C-208 was mentioned by the hon. member for Red Deer and I will not refer to it too much. It was on top of the list on February 13. I have the list of private members' bills for Monday, February 16, 1976, where the same bill has been moved down to No. 8.

Finally there is Bill C-242 which was the first item under public bills, "an act respecting relief to non-smokers in transit, as reported (with amendments) from the Standing Committee on Health, Welfare and Social Affairs." It was presented by the hon. member for Toronto-Lakeshore (Mr. Robinson) with amendments, from the committee. It was debated on Friday, June 4, 1976, and on Monday, June 7, it appeared as No. 42 and read as follows:

Resuming debate on the motion of Mr. Robinson, seconded by Mr. Francis, for the third reading of Bill C-242—

Also there is Bill C-29, and perhaps there are others. That completes the list of precedents which indicate to me that the practices and traditions of the House have been well established. But it still remained in my mind whether or not this practice developed without being questioned, or corresponded to our Standing Orders, so I felt I should go deeper into the matter and examine the Standing Orders more thoroughly. This brought me to a new Standing Order which was accepted by the House on Tuesday, June 14, 1955, which reads as follows:

After any bill or other order in the name of a private member has been considered in the House or in any committee of the whole and any proceeding thereon has been adjourned or interrupted, the said bill or order shall be placed on the order paper for the next sitting at the foot of the list under the respective heading for such bills or orders.

That is more or less the same standing order we have now. There is an interesting comment which has been written in relation to that new Standing Order. It reads as follows:

The practice in regard to private members' business is not consistent. Under the present Standing Order 15(4) bills are dropped to the bottom of the list after being debated on a Tuesday or a Friday but under the present Standing Order 110(2) a private bill considered in a committee of the whole on the said days remains at the top of the list for consideration at the next sitting.

[Mr. Deputy Speaker.]

In order that a uniform principle may be established, this new section proposes that after any bill, motion or order in the name of a private member has been considered at any sitting, it shall be placed at the foot of the list of bills or orders under its respective heading on the order paper.

If I read this well, I can identify an intent by the introduction of that Standing Order to permit a bill reported from a committee of getting some kind of priority upon report but, not keeping that priority further than the possibility of being debated and being put before the House once, after which it would be treated just as any other private member's bill or order.

So I decided to examine more attentively the present Standing Order. We are faced with three Standing Orders which concern us at this time. Standing Order 18(1) reads as follows:

All items standing on the orders of the day, except government orders, shall be taken up according to the precedence assigned to each on the order paper.

It is very clear that Standing Order 18(1) singles out private members' business.

Standing Order 20(1) reads as follows:

The day to day precedence on the order paper of private members' business, except as otherwise provided, shall be as follows:

When the hon. parliamentary secretary referred to Standing Order 20(1), he missed the three or four words "except as otherwise provided".

● (1740)

[*Translation*]

When the parliamentary secretary read Standing Order 20(1), I wonder if he forgot to mention that that clause reads as follows:

—except as otherwise provided—

In my opinion, those words leave the door open to the possibility of an exception which might be defined elsewhere in the Standing Orders.

[*English*]

The fact that Standing Order 20(1) includes these words "except as otherwise provided" certainly means that somewhere in the Standing Orders there must be a provision whereby there can be an exception. I believe this exception is found immediately under Standing Order 20(2) which says:

After any bill or other order in the name of a private member has been considered in the House or in any committee of the whole and any proceeding thereon has been adjourned or interrupted, the said bill or order shall be placed on the order paper for the next sitting at the foot of the list under the respective heading for such bills or orders.

My first conclusion was that, although there is a list of priorities for private members' business on the order paper, this priority should not and does not exist for a time longer than necessary to bring that order again before the House for debate.

I did look into the precedents to see if the words "respective heading" for such bills or orders, which appear in Standing Order 20(2), met the interpretation given by the hon. member for Vaudreuil (Mr. Herbert) in the way that his bill, even after being debated for third reading, should have stayed at the top

of the list under the heading "Private Members' Bills—Third Reading Stage", and would have a priority over "Private Members' Bills—Second Reading". After looking at all the precedents, the practices and the standing orders in time past, I found there was never any list of private members' business or orders under such headings. I would find it very difficult to conclude that the point raised by the hon. member is a valid one.

I feel that the words in Standing Order 20(1) "except as otherwise provided" are strong enough for me to base my ruling on the exception which is indicated in Standing Order 20(2), and on the practices which have been followed in the House in years past. I cannot find, therefore, any basis for making a judgment which would create some kind of special class, that has never existed, for the bill of the hon. member, maintaining a permanent priority at the top of the list because it has reached a certain stage.

At the same time I think the point raised by the hon. member for Esquimalt-Saanich (Mr. Munro), and mentioned by other members, is very valid; perhaps not sufficient for me to make a decision on that basis, but still it certainly would be a discrimination against other members, because in no way could we get ourselves out of the situation where a bill would be reported back to the House from a committee and be the subject of a report stage debate, or the subject of consideration at third reading, if there was opposition, to the completion of the debate during the full session. With the practice of limiting the debate to one hour, the bill could remain on top of the list and prevent all other members from benefiting from the possibility of debating their propositions to the House under whatever heading, public bills or otherwise.

In any case, after examining all these points, I agree that the standing order is not very clear. It may be clarified in the future, but on the basis of our practice, the precedents, and my interpretation of the Standing Orders, I cannot come to any other conclusion than that whatever was done in placing the hon. member's private bill at the bottom of the list was the right course and a valid practice, and we should now go to the consideration of Bill C-209 which is at the top of the list.

Mr. Coates: Mr. Speaker, this has been a very interesting and probably useful procedural discussion. Unfortunately, some of the discrimination we have been talking about may occur as far as the bill of the hon. member for Burnaby-Richmond-Delta (Mr. Siddon) is concerned. I wonder if there might be a feeling in the House that the hon. member be given the 60 minutes that he was entitled to expect to receive if this discussion had not taken place. Otherwise we put him in the position in respect of his private member's bill of not having the 60 minutes he could anticipate, but rather some 12 minutes.

[*Translation*]

Mr. Pinard: I only speak on my own behalf. I have nothing against allotting an hour to consider the hon. member's bill, but not today. Given the discussion we have just had I would suggest that the necessary steps be taken to give priority to this bill next when private members' public bills are on the order paper and that for now we simply call it six o'clock.

[*English*]

Mr. Deputy Speaker: In reply to the point raised by the hon. member, I did indicate on the occasion of a previous ruling that the House should look into this matter of points of order and decisions on procedural questions raised during the time for private members' business, as well as look at the alternative of having these points brought to the attention of the House and debated at some other time, perhaps between six and seven. No decision having been made on this, we have to follow the past practice.

If I understand the hon. parliamentary secretary correctly, he is suggesting that we might call it six o'clock and that priority be given to this order of business at the next time such order is under consideration. Is there unanimous consent to call it six o'clock?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It being six o'clock, I do now leave the chair until eight o'clock.

At 5.50 p.m. the House took recess.

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

ENERGY SUPPLIES EMERGENCY ACT, 1979

MEASURE TO CONSERVE STOCKS

The House resumed consideration of the motion of Mr. Gillespie that Bill C-42, to provide a means to conserve the supplies of energy within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada, be read the third time and do pass.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, in my remarks this afternoon I dealt with some aspects of the bill before us, and I pointed to the incredible complacency which the official opposition has shown with respect to this bill. They have taken the position right from the very start that there was no emergency, that there would be no oil emergency, and that it just could not happen here in this country. There may be a revolution in Iran and shortages of

oil, but it is just not going to affect Canada and there is no reason why we should prepare against this eventuality.

Against that complacent, short-sighted, irresponsible attitude, the opposition has also taken a relaxed attitude with respect to the process of this bill. They have felt that they could eat up valuable time in the House as they have done. We spent over one week on the report stage, which in itself is quite unusual particularly as we dealt with many of the same amendments in the committee stage and disposed of those amendments during that stage.

However, they reintroduced these amendments, particularly amendment No. 2, on which we spent three days. We spent another day or so on three other amendments introduced by the hon. member for Peace River (Mr. Baldwin) which, as the hon. member for Sault Ste. Marie (Mr. Symes) pointed out, if they had been accepted, would have subverted the very intention of the bill itself. They would have removed power from the emergency supplies allocation board and emasculated the ability of the board to deal with an emergency in Canada created outside of Canada by a revolution in Iran, by events in the Middle East, or by OPEC actions which might be related to the recent events in the Middle East.

Canada has solemn treaty obligations under the International Emergency Agency which the official opposition has never faced up to. Those solemn treaty obligations require us, as a nation, to institute demand restraint policies and programs in the event that the International Energy Agency, through its emergency oil-sharing arrangement, decides that there has been a reduction of 7 per cent in the consumption of the member countries or for any one particular country—and that is important—or any one identifiable region within any one particular country.

If consumption of oil is reduced by 7 per cent as a result of a shortfall of supplies, which could mean a reduction of imports in any one country or any region, then the international energy emergency oil-sharing arrangement could be activated for all 19 members of the International Energy Agency. As hon. members know, we are now very close to that number. At the present time the shortage as a result of the revolution in Iran is equivalent to about 5 per cent of world oil consumption. Having gone from zero to a 5 per cent reduction in the few months since Iran cut off production in late December, it does not seem to me that it requires any great stretch of the imagination to see how, if that could happen in three months, it is quite possible we could be faced with a situation where reduction in world consumption would be close to 7 per cent, or that it could be in any one country such as, for example, Japan, which is a very exposed country. If that one country were exposed, it would have the right, under the articles of association of the International Energy Agency, to ask the agency to apply the emergency oil-sharing arrangement. As a country, we would have to comply with these treaty obligations and Canadians would want us to do so. The only way it could be done, however, is with the powers given in this bill. That is why it is so important to the government that we proceed with dispatch.

[Mr. Gillespie.]

• (2010)

The bill was introduced for second reading debate over a month ago, and I submit it has received more than sufficient attention. Indeed, it has been subjected to a great deal of delaying tactics. As I pointed out, when one looks at the history of the opposition with respect to energy measures, that is not surprising. They have never regarded a policy position on energy as important for Canada. Historically they have taken the view that we could let somebody else decide—perhaps the province of Alberta. That has been the position of the Leader of the Opposition (Mr. Clark). He has not addressed himself to any one of the series of important energy questions.

In this debate we have once again seen that complacent attitude. It has been manifested by the energy critic of the official opposition, the hon. member for Northumberland-Durham (Mr. Lawrence). He has taken the attitude which in an energy crisis would be to say, "Let the multinationals do it. Let Exxon decide what is best for us." On this side of the House we are not prepared to accept that kind of an attitude.

I have gone over the reasons for the bill, Mr. Speaker, and the possibility, indeed the increasing probability, of having to use the measures in the bill in a shorter period of time than one might have speculated even a few weeks ago.

Hon. members will have read in the press about the situation in the United States and the measures that President Carter will be placing before Congress. Congress will address those measures very shortly as they consider how to deal with the important demand restraint obligation they have. They are looking at the possibility of closing down service stations on Sundays and, if that is not sufficient, they may have to close them down for whole weekends as well. One can see the series of events which could be triggered by this kind of move and which could impact on Canada.

There are significant powers in this bill, Mr. Speaker. There is no question about that. It contains arbitrary powers. It is our contention that that is the only way to deal with an emergency which this bill is designed to take care of. These powers are, in one form or another, conditioned. They are necessary to discharge the purposes of the bill but they can only be used in an emergency. They can only be used to achieve these ends.

There are a number of built-in safeguards and controls. For example, parliamentary approval will be needed for the declaration of an emergency and the authorization of the mandatory allocation program as set out in clause 11(3). The mandatory allocation program will lapse each year. It can be authorized for no longer than a year and, at the end of that year, it will automatically lapse and have to be initiated by the government again. That measure will have to be placed before parliament. Approval will have to be sought and given before the mandatory allocation program can continue after one year. There are significant safeguards built in to the mandatory allocation program and the declaration for emergency energy purposes.

Similarly, the orders and reports are provided for in the bill. Orders with respect to the mandatory allocation program and the amendments to that program and the energy supplies allocation board, which is the administrative board, must provide monthly reports to the minister during an emergency as set out in the bill. It is also set out that any approvals with respect to the mandatory allocation program or amendments to it must be set out and laid before parliament for its information.

If a rationing program has to be introduced—and let us hope it never will—it, too, must be laid before parliament.

There are provisions with respect to environmental concerns, such as sulphur emissions, which provide power for the minister to reduce the environmental standards in particular, exceptional circumstances. In those situations there is provision for public hearings and a report on sulphur emissions. There are a number of other built-in provisions, safeguards, and controls in the bill which contains significant arbitrary powers.

The emergency oil-sharing arrangement of the International Energy Agency will depend for its administration and implementation largely on the multinational oil companies of the world. That is why we have specified in an amendment that Petro-Canada, the Canadian national oil company and a major policy instrument created by this government, should be attached to the standing group on emergency questions, which is the senior executive body of the International Energy Agency concerned with the administration of worldwide emergency programs. That particular group is advised by the International Advisory Board which is made up of multinational oil companies.

The emergency group will issue its instructions for implementation of the program to the office of the International Energy Agency allocation co-ordinator. He will be served by a secretariat and industry-supported advisory group. That secretariat will be working with multinational corporations; that industry supply advisory group will be composed of multinational corporations.

● (2020)

I have taken a few moments to outline the particular arrangement. It is important for Canadians to understand that the multinational oil companies will be the key to the administration and the implementation of any emergency oil-sharing arrangement throughout the world. That is why we believe the Canadian policy instrument, Petro-Canada, as part of Canada's representation, should be associated with the executive body which will be making decisions. In that way we can be sure that decisions which are taken are not taken just for the benefit of others but are taken for the benefit of Canada.

We were reminded recently of how an international company thought it would decide what was best for Canada; it took a decision that was best for somebody else. I am referring to the Exxon diversion of oil from Venezuela. The official opposition has taken the position that maybe the international companies do not always perform in the best interests of Canada. In this connection I am referring to remarks made a few nights ago by the hon. member from Northumberland-Durham. Maybe right now they are not looking after our best interests but this is not the time, he said, to introduce Petro-Canada to look after Canada's interests. He implied that we should continue to be happy and accept the decisions of international companies—"let them decide what is best for us."

That stand is not acceptable to the Canadian government. But that position is consistent with the position of the Leader of the Opposition who, as recently as last Sunday morning, in a broadcast on CBC radio stated that if he were to form the government and become Prime Minister, he would take action against Petro-Canada, the policy instrument set up to deal with Canadian energy priorities. On earlier occasions he has talked about winding it down, getting rid of it, selling parts of it, or in one way or another emasculating it, but he has now said more than that. He has said that Canada does not need an energy policy instrument like Petro-Canada and that he would get rid of the policy instrument function. I believe his words were, "We would move out of the policy instrument area."

The Leader of the Opposition has not faced up to the fact that over 90 per cent of this strategic industry is controlled by foreign corporations. I do not think he has even faced up to the fact that the oil industry is a strategic industry for Canada. I suggest he has ignored the question until it is now too late. One has seen the unseemly scrambling that the hon. member has gone through recently trying to put together an energy policy which has been described by the critics as a pathetic effort. It has been ridiculed by those who are familiar with the energy situation in this country.

I commend the Energy Supplies Emergency Act to the House of Commons and to the Canadian people. I would like to conclude by saying that while I recognize the official opposition do not agree with the government's position on energy questions, or on this particular bill, the hon. member for Edmonton West (Mr. Lambert) said in his remarks during debate in this House that the Ontario government does not support this bill. He went on to imply that the Alberta government does not support this bill. He went further than that and said the Canadian people will not support this bill. I do not think he has a very good understanding of how the Canadian people see the energy situation right now.

I issue a challenge to him. If he and his party believe that, let them have the courage of their convictions, let them vote against this bill. This will be an honest position for a party which has shown so little interest in these questions. After having voted against the bill, then I would suggest it might be a good time for us to turn to the Canadian people and say, "Here is the issue. The opposition has made it quite clear how it feels about it. You know how we feel about it. You choose."

Mr. Arnold Malone (Battle River): Mr. Speaker, I am one of those incredible members of the opposition. However, I find it even more incredible that the Minister of Energy, Mines and Resources (Mr. Gillespie) took virtually all of his speech to condemn us. One must certainly ask the question why a Liberal government, which has governed for some 16 years, at

its moment of death can find nothing to say about energy policy. It could only condemn the opposition party which was not in the position to put forward policy and govern the nation in the past.

I will come to those points which the Minister of Energy is unable to read. We can demonstrate quite clearly what the critics, my leader, and what our spokesman have said on energy policy. One thing we will underscore this evening is that this government is in the position of a wounded animal, backed into a corner, and the only thing that it can think to do is to fight whoever is there, irrespective of where the obligation of responsibility lies.

We have an emergency crisis in this country. It is not brought about because there is no energy supply, it is brought about because there was no policy supplied. We have to ask the question: where was the minister when OPEC was formed some seven years ago? Did he just wake up in the last few days or weeks and discover that Venezuela was not exactly the most stable nation in the world? Did he just wake up and somehow find out that Saudi Arabia or Iran might not be nations we can depend on in the long term? How was it that the pipeline, encouraged by members of this party for a long time to be extended with greater capacity from Sarnia to Montreal, extending it from Montreal to Quebec City with a natural gas pipeline that would sweep the breadth of the country from sea to sea, was never heard of by the government side of the House?

And so as a member of this incredible opposition I can only say I find it more incredible that the Minister of Energy can find nothing to do, when it was his responsibility to introduce policy, but blame us for not having any policy. That, sir, shows he operates in a vacuum. There is a tingling sound when he shakes his head sideways which rings over here, and gives me a clear indication that what I am saying is valid.

The minister claims we spent three days holding down one of the amendments at report stage. He never made any mention as to the merits of the amendments; he took some other interesting positions. This is a government that dreams up emergencies and hopes to find an excuse to write legislation. While the minister is talking about a potential emergency he did not tonight, or at any time previously, demonstrate that an emergency existed. What he is talking about is a potential emergency.

What about other resources? Is this the way in which this government will write legislation? What happens then to British Columbia's forest products industry? What happens to Saskatchewan's potash industry, and what happens to Ontario and Quebec's mineral wealth, or the fisheries of the Atlantic region? All of these are potential areas of emergency, and from the government's thinking there should be an emergency bill for anything that can be a potential emergency.

Mr. Gillespie: You mean wait for the House to burn down before calling the fire department?

Mr. Malone: That is right. We will wait until the House is burned down. This House could burn down—

[Mr. Malone.]

Mr. Jarvis: Your house has been burned for ten years.

Mr. Malone: There is no danger of this House burning down, the minister could not get up enough heat to do that.

The minister has faulted us for using up the time of the House, claiming this afternoon in his usual spokesman-like way, that we were the party that throughout report stage held up the measure. I took a look at that during the lunch break. Here is the data.

• (2030)

Mr. Gillespie: Where is it?

Mr. Malone: If the minister can control his energy, the data is coming. Here is the data. I do not mind taking the time to give this to the House. Conservative members spoke 29 times. The other parties combined spoke 24 times, 75 per cent by the Liberal party. If the situation was such that there was no need to talk, that there was concern about a filibuster, and if the bill was so good, how come 75 per cent of all the time used by those other than members of this party was used by members of the government party? Certainly they have to address themselves to who is doing the filibustering.

As members of Her Majesty's Loyal Opposition, surely it is our obligation to do an analysis and a critique in order to try to make better legislation. If it is not an obligation, then I ask the next question. What is this government up to now that it is somehow trying to change the whole format of parliament so that we cannot give analyses or critiques? Surely the minister knows this. If we look at this bill and analyse it in terms of other major pieces of legislation, it has not taken up as much time as most other major pieces of legislation that have come before this House.

The Minister of Energy, Mines and Resources said that the opposition claims the government is seeking too much power. That is not just our position. There are members on the government side who make the same claim. They say that this bill seeks too much power. In fact there are members of the cabinet who are on record as saying the same thing.

Mr. Gillespie: Who? Name them.

Mr. Malone: I am asked to name these people on the government side and in the cabinet who say the government is seeking too much power. I do not mind responding, because we had passed in this House in January, 1974, an almost identical bill with virtually no changes except for a few clauses that were not substantive. I would like to share with members opposite what the Minister of Industry, Trade and Commerce (Mr. Horner) had to say about the legislation being put forward at that time. What the Minister of Energy, Mines and Resources does not wish to do now is listen, after having asked me to name them. Here is what the Minister of Industry, Trade and Commerce said about the legislation:

> What is involved in this bill? It is a reach for power, dictatorial power, power which only a real socialist would love, power which only a real socialist could appreciate, power to take away the freedom of the individual.
>
> MR. DRURY: Price and wage control?

MR. HORNER (CROWFOOT): Price and wage control would be nothing compared to the rationing and complete control that this bill could bring about.

We on this side need not feel alone, that somehow we are the only ones who think the bill is wrong. We note that in his opening remarks the Minister of Industry, Trade and Commerce said:

—the fact that the minister in charge of energy for Canada has been attempting for at least the past four months to create a feeling of crisis within Canada on the energy question.

That is exactly what we are saying today. They are trying to create the illusion that somehow there is a crisis. Do you know what that crisis is? It is the election. Here they are again with the same reasons as in 1974. What makes me so happy about this situation is to know that our party has the support of a cabinet minister who feels the same way about this legislation. With regard to the opinion of the government about the government, it says this about the need for the bill in 1974:

They failed to gather appeal across the country so attempted to create an issue in the hope they could go to the country and win an election on some short-term policy they had devised.

What they did in 1974 is what they are doing in 1979. Do you know what this is? It is government by carbon copy. What they thought worked once might work again. A government that is short on policy stoops to trickery hoping that somehow the tricks might pull it through. I find it interesting what the Minister of Industry, Trade and Commerce said about that bill:

Are there no clauses in this bill which are negotiable with the premiers?

A few moments ago we heard the minister classifying that point as unimportant.

This has been the trouble about the chess game we have been watching. The federal government has made up its mind as to its intentions and said ho-hum to the provinces and their desires. Is this a fair attitude to take if the first ministers' conference is to be carried on in a proper spirit so as to devise ways of meeting the energy crisis which could develop in Canada should the Arabs shut off the oil being delivered to the five eastern provinces?

Even one of their own ministers back in 1974 was expressing the same concerns that we are expressing now. The concern specifically was that there is not a stability with those people importing oil to the eastern part of this country. For a long time the need has been there to bring western petroleum to the eastern markets. There has been a lead weight around the ankles of government members to move in such a direction.

As a member of parliament from a western province, I remember the anguish that was felt across the prairie communities when we wanted to sell our oil to the eastern markets but could not because the price of oil from Venezuela was $1 per barrel cheaper than bringing it through a pipeline from the west to the east. We are now in the awkward situation where our party still wants to extend that pipeline. Irrespective of the noises we hear from the other side, my leader's policy is that Canada will become self-reliant in energy.

All this government wants is some kind of emergency legislation in case the countries it deals with are too shaky. It wants to be able to cope somehow, shape up or handle them. The present oil shortage is not an accident. The oil shortage on the Atlantic coast is government policy.

The Minister of Energy, Mines and Resources can point his finger at the official opposition and say that we are alone in condemning certain aspects of this bill, or that we are alone without policy. I say to him that the editorials in the major newspapers throughout the country in the past few weeks simply do not subscribe to that fact. I wish to quote from the Saturday, March 10, 1979, *Globe and Mail*. The editorial has a beautiful title, "Tyrant in Ottawa". This bill should not be called the energy supplies emergency act. It should be called the emergency tyrant act. I quote the first paragraph:

The energy supplies emergency act is a bill produced by the federal government under false pretences. It is a bill rammed through a committee of the House in the early hours of yesterday morning in the face of heavy protest from Conservative members and an informed and bitter attack by the province of Ontario—

● (2040)

Well, I guess the opposition does not matter to the government. As the Minister of Industry, Trade and Commerce said, socialists do not like opposition. I guess the premier of Ontario does not matter either, because they not listen to him.

It goes on to say:

It is a bill which has been damned in a letter by Premier Lougheed of Alberta to Prime Minister Trudeau. It is a piece of tyranny, with the tyranny handled by amateurs and all the professionals shoved aside.

Apparently that did not make any difference to them either. In other words, the whole question of energy is now to be left up to bureaucrats. And who is to decide when there is an emergency? That is to be left to the government. But this is a government that creates emergencies. It creates an emergency whenever it thinks an election is coming around. That is why we end up in this unsavoury situation; at election time the government choses to attack personalities and parties rather than to produce policy.

The editorial goes on to say:

It is a bill which the Liberals intend to flourish during the election as a substitute for energy policy they have failed to develop during the seven years since the Arab boycott . . . It could force pipeline companies to build pipelines that will bankrupt them, run railroads, take over trucks, throw out environmental safety protections, invade every energy field in Canada including your kitchen. There is virtually no appeal from its decisions. Those who disobey are subject to fines up to $20,000 or two years in jail or both for every day on which they commit an offence.

Just moments ago the Minister of Energy, Mines and Resources virtually admitted that this was a bill designed to meet a potential crisis. Well, if it is meant to deal with a potential crisis, why do we find locked into this legislation all the power, all the control that the government assumes it needs—the right to fine people $20,000 or put them in jail, when the bill does not even define what will be regarded as a crisis? They have not shown that a crisis is at hand.

Toward its conclusion the editorial speaks about the government in these words:

It has no energy policy, it has only a piece of paper which would feed its appetite for authoritarian power.

Is there not a similarity between that editorial and what the Minister of Industry, Trade and Commerce said about the government—I just love that line of his when he said:

What is involved in this bill is a reach for power, dictatorial power, power which only a real socialist would love, power which only real socialists could appreciate, power to take away freedom from the individual.

Surely you cannot have it both ways. You cannot both condemn and embrace and have the same motive in mind in both experiences. The Minister of Industry, Trade and Commerce should stand in his place and tell us whether or not he is a part of the socialist thinking he embraces, or whether he wants to find time in the opportunity left to him between now and six o'clock tomorrow to let us know that he does not like the power which is being sought in the legislation before us. I challenge him to do so.

In case the Minister of Energy, Mines and Resources should get the impression that we are alone in our condemnation of the government let me refer to another editorial, this time from the Toronto *Sun*—I am deliberately picking eastern newspapers because it is important to note that the papers in central Canada are not of the opinion the minister would have us believe they are. I quote from the *Sun* of Tuesday, March 13:

In negotiations with the provinces, Trudeau has never been able to 'con' the premiers out of control of their energy resources. After all they are guaranteed by the BNA Act. It is one thing Trudeau would change if he got his hands on the constitution.

Well, this bill looks like the first hint of the direction we are going to take. An hon. member asks for the source. Well, the source was just given.

An hon. Member: Aren't you the expert?

Mr. Malone: For the benefit of the hon. member who interrupted I would like to say to you, Mr. Speaker, that I consider him to be an expert as long as we can use a definition from mathematics—an "X" is an unknown and a spurt is a drip under pressure.

I should like to turn to some of the comments made by the Minister of Energy, Mines and Resources. He said the opposition would have left the country exposed without the power to handle an emergency. The truth of the matter is that he has not been listening to our party's policy. Moreover, even if that were the case, surely the first thing which must come to mind is the question: where has the government been while the situation was developing? How dit it happen that a country like ours, which has all the energy resources it needs, should be called upon to deal with an energy emergency bill such as the one before us? The truth is that members opposite have been fast asleep making Rip Van Winkle look as though he just took a nap.

The minister made another comment. He said our leader had not addressed himself to the question of energy. If that is the case, how is it that a headline in the Montreal *Gazette* says: "Clark's New Energy Plan Means Self-Reliance"? The article goes on to outline five points made in a speech by my leader in Montreal calling, among other things, for an immediate increase in capacity from Sarnia to Montreal. Did we hear today in the minister's speech anything about a bigger pipeline from Sarnia to Montreal? No, Mr. Speaker. The hon. gentleman took 40 minutes telling us there might be a crisis. He did not spend any time telling us what we might be able to do about it.

There was another point my leader made. He said he would extend the gas pipeline from Montreal to Quebec City. Did the minister say anything about that? No. He said there might be a crisis down the road.

My leader further said he would explore and exploit further sources of energy, such as oil sands, and rely on other forms of renewable energy. But the minister did not say anything about that. He just said there could be a crisis somewhere down the road and he wanted power to handle it in case what might happen did happen. Mr. Speaker, as long as they never do anything, as long as they just talk about what might happen, what might happen will happen, and as long as this government is in power that is the only reason for the bill before us. The non-doers bring about what is likely to happen.

An hon. Member: How are you going to vote?

Mr. Malone: We are going to vote for the fact that this government happens to be there.

Some hon. Members: Hear, hear!

Mr. Malone: In other words, this ought to be called a Liberal emergency creation bill. That is the only reason it is here.

An hon. Member: Yet you are going to vote for it.

Mr. Malone: The minister said all the critics condemned our opposition. Well, here is an interesting comment. The first reaction from the oil companies has been very favourable. The press has commented favourably. The oil companies are favourable. So it seems only the government was born with lead in the soles of its shoes.

Just so that the minister does not go unchallenged I will draw attention to various aspects of the Progressive Conservative policy on energy—I will just read the headings, without going into the substantive text.

• (2050)

Mr. Gillespie: Tell us about pricing.

Mr. Malone: The minister would like to hear about pricing. I will answer him directly. Yes, we should have some.

Some hon. Members: Oh, oh.

Mr. Malone: Now that the laughter has subsided, I want to speak as an Albertan and tell the House that it was only four years ago that the government drove more than one-third of the private Canadian-owned oil companies out of my province and into Montana and other places. Hon. members opposite talk about prices, but they made 22 flip-flops in terms of oil policy, and independent Canadian companies said they could not stand the frustration any longer and left Canada. What is the hollow echo from the Minister of Energy, Mines and

Resources? He asks, "What about pricing?" I ask him, what about our oil companies? He condemns us and damns us. He is thumbs down on the Tories because he says they want to take away Petro-Canada, and they do not believe in Canadian companies. What does he substitute for a Canadian company? He wants a government company, and that is not the same thing as Canadians owning oil companies.

Big government and big multinationals give us no more sense of security, because that means big power. What the government drove out was far more than one-third of our small independent drilling companies, mostly located in Alberta, although some were in Saskatchewan. Any time the minister wants to challenge that, the people who have left can back it up. They would be very willing to come and be witnesses any time the minister wants to refer this subject to a committee.

Mr. Gillespie: Tell us about pricing now.

Mr. Malone: I answered the question on pricing. What the minister has not understood is that when we drive companies away, we are left to the pricing of multinationals. The minister opposite ought to know very well that he has to take a good portion of the blame for what happens with pricing when he removes competition and leaves it to multinationals to establish prices.

Mr. Boulanger: We have the best price in the world, and you know that.

Mr. Malone: The best price in the world is for Liberals. You can get them free.

Mr. Boulanger: I wonder if you are a Canadian or not.

Mr. Malone: I will just go through a few more policy pronouncements by my leader. My leader would establish a Canadian council of environmental and resource ministers. That would be foreign to the Minister of Energy, Mines and Resources because if there is a council of resource ministers there cannot be confrontation politics. There has to be co-operation, and as the Minister of Industry, Trade and Commerce says, socialists do not like to co-operate. They like to have dictatorial powers.

Another major point is increased supply. The Minister of Energy, Mines and Resources would like to increase our reliance on foreign supplies. What we actually have is an imaginative government seeking ways to stay in power. It is not an imaginative government seeking ways to solve the energy problem but simply an imaginative government trying to apply artificial resuscitation. It is pumping its own chest in order to give the illusion out there in the nation that we have an impending crisis and that, because of that, we have to have an emergency bill.

Editorial after editorial has condemned it. The one I have here is dated Friday, March 16, 1979, and it states:

> It is good for Canada that Lougheed won so strongly. Mr. Trudeau, a classic case of one who has misused parliamentary majority for dictatorial purposes, now has a revitalized Alberta which will oppose his plans to take over (steal?) the energy resources that rightly belong to the provinces.

Mr. Gillespie: Source?

Mr. Malone: That is what we are talking about with this government.

Mr. Jarvis: It is based on a Horner speech.

Mr. Malone: The article goes on to say the following:

> Trudeau's new Emergency Energy Act seems more a ploy to centralize power than it does to ensure that all Canada will have adequate energy. Otherwise the government would devise a 'policy' instead of take-over legislation.

That paragraph is very important.

Mr. Dionne (Northumberland-Miramichi): Where is it from?

Mr. Malone: What we have lacked is policy. What we have is the illusion of an emergency.

Mr. Boulanger: Who signed that?

Mr. Malone: I would sign it. I would write it and sign it.

Mr. Boulanger: You don't mean that, do you? Are you for Canada or Exxon?

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, I rise on a point of order. The hon. member just read what is purported to be an expert source, but he did not give us that source. In fairness, I think he should put the source on the record.

Mr. Deputy Speaker: Under the rules of the House he has to.

Mr. Leggatt: Jack Armstrong.

Mr. Malone: I would like to refer to another editorial, this one from the Toronto *Globe and Mail*.

Mr. Dionne (Northumberland-Miramichi): What was the last one?

Mr. Malone: The last one was the Toronto *Sun*, which could lead us into a whole new discussion of sunset laws. This government would do well to learn about them in order to cut government spending. It would do well to use a little solar energy and to have a little imagination to brighten up the lives of Canadians without having to talk about emergencies and crises and without dividing provinces one from another. The government has the attitude that somehow it cannot put something forward unless there is an enemy hidden in the closet.

If hon. members will permit me, I would like to go to another source, the Toronto *Globe and Mail* of Tuesday, March 20, 1979:

> The act hands the government the stand-by power to take control of everybody and everything that has anything to do with petroleum, petroleum products and their alternatives within Canada.

Does that not sound just like the Minister of Industry, Trade and Commerce when he said that all that pack of socialists

opposite want to do is grab power? When the minister was speaking in the debate on an identical bill in 1973 he put his finger on the key question. I trust that he stands by what he said and that he will condemn this government and say, "I do not want to sit with them any more"—and join the Social Credit party or the New Democratic Party.

This article goes on to say the following:

Using this board under this act the government could eliminate rights of hundreds of thousands of Canadians. It could do everything from rationing the gasoline you may use to compelling a pipeline company to build a pipeline that would bankrupt it. Persons committing offences under this act, and under the regulations that will be approved by cabinet (not by parliament), would be liable to fines of as much as $20,000 or two years in prison—

Then the article goes on to this very interesting part:

Because the opposition parties opposed the hasty and unconsidered and unnecessary establishment of such powers, the government has imposed closure.

Closure to get closure.

In the true arbitrary tradition of Canadian Liberal governments.

Mr. Boulanger: Explain to me what closure.

Mr. Ellis: Something that should happen to your mouth.

Mr. Malone: The best closure this House could have would deal with the oral cavity on the other side.

Mr. Boulanger: I am proud to be a Canadian but not with a guy like you.

Mr. Malone: I do not want to hurt unduly hon. members opposite, but they have the opinion that somehow we on this side of the House are the only people opposed to this bill and that we have no policies. I outlined some, but they were not listening. I mentioned a number of press articles which say that there is every reason to be opposed. I also note that a member of the cabinet has said that this kind of legislation is dead wrong.

Mr. Boulanger: Name him.

Mr. Malone: The hon. member asks me to name him. He is the Minister of Industry, Trade and Commerce.

Mr. Boulanger: That's a lie.

An hon. Member: Back off.

Mr. Malone: Mr. Speaker, the hon. member opposite says that what I said about the Minister of Industry, Trade and Commerce is a lie. If he says that, he is also saying that what is recorded in *Hansard* at page 8763 back in 1973 is also such. Therefore I will be raising a question of privilege when I am finished my speech, and asking that the hon. member make a withdrawal.

I would like to put on the record comments made by the Minister of Industry, Trade and Commerce at that time. He said, and I quote:

—passing the bill before us would do nothing to create harmony among the ministers attending the conference; rather, it would interfere with the good will necessary if we are to meet the difficult situation which may develop in the coming winter.

[Mr. Malone.]

The minister later said:

It is headed for confrontation, particularly if we as legislators in this parliament do not caution the government and make it clear that the allocation bill we are being asked to pass represents a reach for power not granted to any federal government except in time of war.

● (2100)

Let me underscore what the Minister of Industry, Trade and Commerce said. He said that they were asking for power not granted to any other federal government except in time of war. Now members on that side would somehow like to point their fingers this way and say we are the only ones who oppose this. The fact of the matter is that, nestled in their own nest, is someone who pointed a finger and said virtually what we are saying at the present time. Then the Minister of Industry, Trade and Commerce went on to say the following:

Section 109 of the British North America Act provides for provincial ownership of mineral resources, and this was part of the making of this country of ours when it was put together under the British North America Act. This may have been a mistake, but we came together with that provision. What kind of a government do we have here that wants unilaterally to break that provision? I am not suggesting that Lougheed will not allow some changes, but I am saying that this government through this Bill C-236 wants unilaterally to break that agreement which eventually brought ten provinces together to make this country of Canada. We have heard a lot of talk about the fact that this Prime Minister is the one who wants to keep Canada together. He has not suggested that lately, because if he did no one would believe him.

I should like to give one final quotation because the Minister of Energy, Mines and Resources tonight very unfairly accused us of being people who somehow held up this bill. The truth of the matter is that if we analyse the data it simply does not document that fact. I would like to put on record what the Minister of Industry, Trade and Commerce said, as reported at page 8765 of *Hansard* dated December 14, 1973. When he referred to the Prime Minister (Mr. Trudeau) he said:

I suggest he has no interest in hardly anything other than the promotion of the French language in Canada. That is about the extent of his interest.

Certainly that would not be the position of our party. We do not take a position like that. But somehow a man who felt that way about the government went and joined them.

We have received today a complete, unadulterated misrepresentation when the minister indicated that we have no policy. We could smother the government with policies. The government has attempted to create among Canadians the image that there is an impending crisis just around the corner, yet we have had a vacuum of policies and directions as to what we ought to do and where we ought to go. The government introduced Petro-Canada because it wants to nationalize. It put in an emergency measure bill because it wants socialistic style power. The government is attempting to get control for the love of embracing control.

Since the formation of the OPEC nations seven years ago, we have not had the establishment of an energy policy which would mean that Canadians relying on Canadian resources would have the energy they need. Instead of policy we have had confrontation. As a Canadian and as a member of Parliament I want to say that I am getting very, very tired of the fact that the government cannot put forward any kind of a position without first finding an enemy. I know why the bill is here. It

is here to try to divide one part of Canada from the other. It is here to try to divide the producing parts of the country from those in need of energy. It was designed as a pre-election issue. That was the claim of the Minister of Industry, Trade and Commerce when he spoke in 1973 before the 1974 election. Today we have simply a repeat of style, not a repeat of need. The government knew that for seven years OPEC nations were made up of unstable governments. It has known for a long time that there was a need for increasing the supply of resources to the far side of Canada.

In conclusion, let me say that today the Minister of Energy, Mines and Resources tried to leave the illusion that somehow my party filibustered this particular bill. In truth government members spoke virtually as much, in terms of combined opposition or other parties, as our party did. The Liberal party used as much as 75 per cent of the combined speaking time used by the other parties in the House. Is ten minutes of a Liberal member's time any longer or shorter than ten minutes of a Conservative member's time? Time is an absolute factor which does not change. The only difference between Liberal speeches and ours is that theirs makes one numb on both ends.

Some hon. Members: Hear, hear!

Mr. Malone: Mr. Speaker, while I am on my feet I should like to deal with the question of privilege I mentioned. The hon. member for Mercier (Mr. Boulanger) made a statement a few moments ago that I lied in giving a quotation. I ask him to withdraw that statement for the goodness of some parliamentary conduct. I hope the hon. member at least has the decency to recognize that, when we speak in the House, we do not need people on the other side acting like chickadees in fermented chokecherries. I hope the hon. member comes forward with a complete and absolute withdrawal.

[*Translation*]

Mr. Prosper Boulanger (Mercier): Mr. Speaker, I have here the *Harrap's* English-French dictionary. At the English word "lie", we find "mensonge" in French. When I said "lie" in English, I wanted to say to the hon. member that he was telling a white lie, that what he said was without any malice. You said that it was a minister who made a certain statement in 1974. At that time, he was not a minister, but a member of the Progressive Conservative opposition. I am not therefore accusing the hon. member of being a liar; I am simply saying that he made a white lie or that he misinterpreted the facts.

Mr. Deputy Speaker: Order, please. I do not believe that the explanation given by the hon. member is acceptable according to the rules of the House, whatever interpretation he wants to give to the word "lie" or "mensonge" or "liar". These words are not parliamentary and should be withdrawn.

[*English*]

I agree completely with the request of the hon. member for Battle River (Mr. Malone). The words "lie" and "liar" are unparliamentary and should not be used. If the hon. member for Mercier (Mr. Boulanger) wishes to withdraw, it would be appreciated. Even his explanation is not acceptable in the manner he has made it.

[*Translation*]

I think that the hon. member should recognize—order, please. I think that the hon. member for Mercier is able to speak for himself and does not need the help of all his colleagues. I am trying to be serious. Certain members may find this funny, but I believe that the procedure of the House and the decorum that must be maintained in this institution apply to both sides, whether the member involved is a friend or simply another parliamentarian. The hon. member for Mercier.

[*English*]

Mr. Boulanger: Thank you very much, Mr. Speaker. As a typical and honest parliamentarian and as a typical Canadian, proudly and with great pleasure I take the word "lie" off the record. As a true Canadian and a true parliamentarian, I apologize as well.

Some hon. Members: Hear, hear!

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, the exchange between the hon. member for Mercier (Mr. Boulanger) and the hon. member for Battle River (Mr. Malone) ended quite properly as Your Honour requested, although it reminded me of the classic story of the hon. member who asked Mr. Speaker if it would be all right if he called an hon. member across the way an s.o.b. Mr. Speaker assured the hon. member that he would be out of order. So the hon. member said, "I won't say that then. I just hope when the hon. member gets home tonight his mother comes out from under the porch and bites him!"

The New Democratic Party supports this legislation as inadequate as it is. I want to assure you and the House of that. However, the more I listen to the minister the more I worry about whether he is going to support it.

• (2110)

If you have ever seen a reluctant dragon, surely it is the minister and this government. They feel very sensitive about being called socialists, or of being accused of instituting socialist measures, particularly when all they have really done, sir, is implement a measure they were trying to implement back in 1973 and 1974, and which they did implement in a minority parliament. However, they had to do it most reluctantly. I suspect that the majority of the Liberal caucus have had to be dragged kicking and screaming in on this one. They are sensitive about Conservatives accusing them of being socialists. If that makes them socialists, Mr. Speaker, I do not know what it makes us. If that is socialism it is a disgrace to real socialism, that is, democratic socialism.

The minister has gone through a lot of exercises on this legislation, and I have come to the conclusion that the hurrier he goes the behinder he gets. He accused the Conservatives of conducting a filibuster, and then he took an hour to make his third reading speech. We thought he had made his points on

second reading and in the debate on motions at the report stage, but then he capped it off with a dumb closure motion, when the Tories obviously had already caved in and chickened out. The whole exercise was totally unnecessary as we probably could have saved a day or two in any case.

In 1973 we had something of an energy crisis. We heard a great deal about it from all sides of the House and, of course, from all over the world. We were reminded very forcefully at that time about our vulnerability in the supply of oil. Although it was referred to as an energy crisis then, and to some degree it is now, both occasions have given us the opportunity to re-examine our dependence on foreign multinational oil companies, and to re-examine our dependence on other producing countries.

During the previous energy crisis the NDP had the balance of power in Ottawa. We forced—and we take credit for it and pride in it—the Liberal government to set up Petro-Canada as a Crown corporation. That government really did not believe in it. There has never been a Crown corporation set up by any so-called private enterprise party in which that party believed. The Liberals did it, however, on occasion to bail out some bankrupt friends, or as a last resort, desperation effort, but not because they believed there was any intrinsic value in a public corporation that is publicly and accountably owned and controlled by the public through its parliament. They really did not believe in that, but they did that because they had no other choice. They could not rely on the private sector, the multinational corporations, to serve the interests of the Canadian people, or to put the interests of our nation ahead of their own corporate interests. That was the case then and it is the case now.

Since then, however, the Liberals have not used Petro-Canada as an instrument of national policy as the situation then and now demands. While the government has been paying some lip service, has made some gestures, and has gone through some motions in respect of Petro-Canada, the Conservatives on the other hand say they will scrap it if they form the next government.

Some hon. Members: Hear, hear!

Mr. Benjamin: I am glad to hear some one or more of them indicate agreement. There are arguments for and against private enterprise, and arguments for and against public enterprise, but surely even when we think we are winning the argument, or losing the argument, there are times when we are faced with a situation in which we grudgingly have to admit that when a multinational corporation can endanger our nationhood and undermine the security of petroleum supplies in our country, the arguments for public control and public enterprise in the interests of the nation as a whole have to outweigh the arguments for private enterprise. I use that word advisedly because they are not private, they are very ingrown and select; they are more than private, they are nation states in the costumes of private free-enterprise corporations.

[Mr. Benjamin.]

This is an obsession against some kind of public endeavour, at a time when Petro-Canada is the only major oil company in Canada not foreign owned. It is the only major endeavour—

Some hon. Members: Oh, oh!

Mr. Benjamin: I see the hon. member for Battle River (Mr. Malone) shaking his head. I know what he is thinking. He is thinking about those little, minuscule independents drilling holes in the ground, carrying out geophysical surveys and what not. I have been very closely associated with them and I know that when it comes to international petroleum operations, other than Petro-Canada, we do not have a private corporation in the petroleum industry that is Canadian owned. The ones we have do not count for anything in international petroleum circles. The major petroleum operations in this country are not Canadian. They operate under the direction and in support of their head offices in their home countries. They cannot do otherwise, and I do not blame them for that.

If you or I, Mr. Speaker, were the head of Esso or the Canadian sector of Gulf or Texaco we would not act any differently, particularly if that is what we were paid to do.

Those who did not learn from the history of 1973 are re-living it again in 1979. Social unrest in Iran has resulted in Canada being denied over 100,000 barrels of oil per day which we normally import from that country. There is nothing new about that. If one thinks back to 1958 and to 1963 one will remember a couple of revolutions in Iraq, the fourth largest oil producer. There were warnings sounded then, warnings from people in the private enterprise oil industry in North America. This has occurred in country after country, either violently or peacefully; unrest and revolution.

Exxon, the giant that owns Imperial, announced it would divert 25,000 barrels of oil per day, a piddling amount in the total picture, that had been coming from Venezuela for allocation through Esso to Canada. If Esso, the child of Exxon, was a good Canadian corporate citizen, and if Exxon had any thought about having its child act like a good corporate citizen in Canada, the problem would not have arisen in the first place. But they, quite naturally, are going to protect their own interests, the interests of their customers in the United States, and the interests of the United States before they will consider the interests of the customers of their child in Canada.

• (2120)

The behaviour of this multinational oil corporation headquartered outside our boundaries is quite natural, and I have never been under any illusions in that regard, but perhaps my friend from Battle River has. It is the very nature of the animal.

What it means is that Canadians, whether it was through the minuscule Canadian companies or whether it was through this parliament and the government, were left helpless, gasping for air. It meant that the Canadians in Atlantic Canada and eastern Quebec would have their oil supplies cut, not by some Canadian oil company—it was not western Canadian oil—but under the direction of a foreign corporation headquartered in

New York, and coming from another country, so that it could make sure that it fed its customers in the United States.

What kind of response did we get from the federal government? It called on Imperial Oil to deal directly with Venezuela and restore our oil supplies at least to their previous level. Imperial Oil, under instructions from Exxon, thumbed its nose at the government and said that it would only restore part of our oil supply. For once the government got a little tired at being pushed around. The Tories said, "No, leave it to the private sector; they will look after us, they won't leave us in the lurch."

Imperial Oil said that it has been an expensive job looking for oil, but under successive Liberal and Conservative national governments in Canada, Imperial Oil has had nothing to lose but the Canadian taxpayers' money. At the end of 1978 Imperial Oil owed the people of Canada, and still does, $600 million in deferred taxes. They had to go to such trouble, labour and expense to find oil that they owe us $600 million in deferred taxes.

Between 1968 and 1978, Imperial Oil—this good, free enterprise corporation, with Canadian unity and confederation at heart—earned $2.2 billion in profits after taxes in Canada. Out of that, Imperial Oil paid $1 billion in dividends. Since 70 per cent of Imperial is owned by Exxon, 70 per cent of that $1 billion went to Exxon. In other words, in that ten-year period Exxon received some $713 million from Imperial in Canada, which really means from the people of Canada.

To show its gratitude for its good fortune in being able to make money in a private enterprise paradise under Liberal governments and Tory governments, Exxon cut off our oil supplies from Venezuela. In the books of private enterprisers, called Liberals and Tories, that may sound like good, corporate citizenship to them, but it sounds like an outrageous betrayal to me.

The Tories say that the solution to the problem is to give the oil companies more handouts and let them sort it out. We have been doing this since the 1920s when Turner Valley was blown in. We have given them handouts and we have let them sort it out. They have taken the handouts, and they have sorted it out all right, but they have sorted it out for themselves, not for Canada and Canadians.

This system has not worked before and it will not work now. The fact that Texaco, Shell, and Exxon have reacted favourably to the Conservative party proposals tells us something. Apparently, according to the proponents of the so-called private enterprise sector or multinational corporate enterprise sector, private profit and private control are more important than the needs of Canada and Canadians in Canada.

Now is the time to expand Canadian control of the oil industry. Petro-Canada should be the sole importer of oil. When the minister refused to accept the amendment of my colleague, the hon. member for Sault Ste. Marie (Mr. Symes), I worried about whether or not he himself would support this bill. Petro-Canada should be given the mandate to be the major oil company in Canada to serve all of the interests of Canadians from the time the oil leaves the ground until the time it reaches the consumer.

These so-called private companies will still be able to function. We will not object to them making a reasonable profit, but we will insist that they pay a reasonable tax on those profits and not allow it to be deferred. They could handle the running of the fuel oil into Aunt Minnie's basement tank, and we will hire their expertise for exploration and drilling. We will even hire some of them to run the Canadian-owned public corporation.

By way of illustration, if I should live long enough that the Parliament of Canada under a New Democratic Party government nationalized Canadian Pacific Limited, and if I live long enough to be the minister in charge, the first person I would hire to run the operation would be Ian Sinclair, the president of CPR. He knows how to run a railroad. I would simply give him a different frame of reference in which to run it.

Mr. Leggatt: A lower salary, too.

Mr. Benjamin: Yes, we could not continue to pay him $336,000, but he might do it for less. I would be hiring his knowledge and expertise on the understanding that he operate under the terms of reference laid down, and I am confident he would do a darn good job for us. We have found this out by experience in other parts of Canada, as other countries have found out by experience.

The whole history of multinational corporations in at least 20 countries around the world should have taught us a lesson. If one considers what has happened in western European countries, Middle East countries, southeast-Asian countries, South American countries and African countries, that in the main knows the multinational oil companies—the big seven, the Seven Sisters, which used to have their private red light district and for which, as my colleague, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) aptly put it, the Conservative party has been pimping for a lot of years—they have now been relegated in many of these countries to being nothing more than the hired help. They and their technology, staff and equipment are used to do the job for publicly-owned, publicly-controlled corporations, whether they be in producing nations or in importing nations, whether it is Venezuela, Iraq, and now Iran on the one hand, or whether it is France, Italy or Norway on the other hand.

● (2130)

Those countries, of a wide variety of political stripes, made the decision many years ago that they could and would no longer leave the control and destiny of their petroleum industry in the hands of corporations whose head offices were in the United States, London, Amsterdam or Geneva. Surely that is what we are faced with. We were faced with it in 1973, and we are still faced with it in 1979.

The minister, his party and his government reluctantly bring in legislation which the official opposition claims is socialistic. They are trying to be half pregnant. They do not really believe in Crown corporations. One has only to look at what the Minister of Transport (Mr. Lang) is doing with the support of

his colleagues in trying to privatize our airports, our nationally-owned railway, and Air Canada. They do not really believe in it. They only set them up in the first place to bail out their privatized friends who had gone bankrupt; now they will write off $1 billion or $3 billion and turn them over to their private enterprise friends again. Any dummy could be a private enterpriser with a deal like that.

Once we have written off the debt and start making a good return on the investment, making some profit and providing service to the people, it would seem to me that is the time to keep the corporations in public ownership. As soon as all the risks are gone, however, they are to be handed back to private enterprise and private enterprise laughs all the way to the bank.

What the Conservatives fail to realize is that the world is running out of oil, whether that takes 50 or 100 years. To leave control of those precious resources in the hands of foreign companies whose objective is to maximize profits in the shortest possible time, does not make much sense.

The squeeze that Imperial Oil put on us under instructions from Exxon to divert some of our oil supplies, could be a blessing in disguise. It demonstrated the inherent dangers of foreign ownership and control. It is a blessing because, if nothing else, even this private enterprise government, implementing Conservative policies, has had to go back to what we forced them to do in 1973 and 1974 in bringing in this legislation.

If we heed the signals that we have had for the second time, we will take control of our resources. I doubt that this government or, Lord help us, a Conservative government, will heed the signals. If we were to heed the signals after the many bitter lessons we have had, we would take control.

We continue to let the multinationals squeeze us in many other sectors of the economy, not just energy. Foreign ownership of Canadian industry is growing. That is a further betrayal of our Canadian nationhood. This party is committed to an industrial strategy based on Canadian control, Canadian ownership, both private and public, of our rich resources. This will not only gain self respect for us and strengthen our nationhood and national unity, but I am confident it will also gain us the respect of other nations.

Canadians are frustrated when they see themselves hewing wood and drawing water for foreign corporations, knowing they have the intelligence, the resources, the capacity, the ability and the money to develop an economy owned by Canadians and working for Canadian needs as well as the needs of all human beings.

What would Canadian control do? Instead of exporting raw materials and the processing jobs that go with them, we would export some finished products. That would not only create jobs in Canada for Canadians but would also reduce the need to import finished products, which need has contributed to the economic mess in which we find ourselves.

[Mr. Benjamin.]

We continue to export hundreds and thousands of barrels of oil to the United States. I know we have reduced our exports substantially over the years, but we need to tell our United States friends that we will help them whenever we can, but first and foremost we will see that Canadians from the Atlantic to the Pacific, from the 49th parallel to the Arctic Islands, have their needs fulfilled. If we have anything left over, and after we have assured our own needs for decades ahead, we will be a good neighbour and help them, but only then.

As a Canadian I find it embarrassing to watch the spectacle of our limited oil and natural gas resources going across the border, leaving this country in the hands of some multinational corporations intent on making a fast buck while Canadians in five other provinces pay the ransom for their energy needs to corporations in other countries. Surely that is demeaning. Surely we should and could have completed the construction of a pipeline to transport crude oil and natural gas to Halifax and Cape Breton Island, and surely we could extend it to Newfoundland. Why should people in those areas feel part of confederation when they are discriminated against? It is no wonder that so many Canadians, not just in Quebec, are disenchanted.

Any country which calls itself a nation retains and maintains its economic destiny in its own hands. It does not leave it in the hands of corporations outside its borders, or in the hands of other countries.

We wish that the government had brought in a bill even stronger than this one, a bill that would have made Petro-Canada a national corporation operating in the interests of the country and the people, a bill that would have allowed Petro-Canada to allocate supplies to the private sector in refining, and allocate supplies to the private sector through their pipelines. We would not object to them making a reasonable profit, but we would have control. We would be able to secure supplies until such time as we had the political will, because the other attributes are there, to supply Canada first with what the Atlantic provinces and eastern Quebec need—gas, oil, and other refined products. How can we sit here as elected representatives and not agree that that is what we must do? It is not fair to expect, let alone to ask the likes of Imperial Oil, Shell or Texaco to do it for us. That is not what they are here for, Mr. Speaker. That is not what they came here for in the first place, and they are honest about it. They make no bones about it. They are here to exploit a resource and to make the maximum number of dollars. That was the first and only reason they came. They did not come here and say that they would help Canadians to get a secure petroleum supply from St. John's to Victoria. That is not why they came here.

● (2140)

This mythology from the days of the oil magnates of the 1920s which says "Imperial serves you best", or "trust Texaco", that somehow or other they will do it for us, at best is an illusion held by members in the Liberal and Conservative parties, and at worst a betrayal that members of the Liberal

and Conservative parties have participated in for over 50 years.

The Liberals have governed the longest and have been the most guilty. Every once in a while they try to recover and repent.

An hon. Member: Just before an election.

Mr. Benjamin: They only half repent, and they do that just before an election. The problem is their half repentance is just before an election and it has meant most times their survival. That is the other problem. I have a great deal of admiration and respect for my friends in the Liberal party.

An hon. Member: Better a live dreamer than a dead duck.

Mr. Benjamin: I do not agree with 90 per cent of what the Liberals do and say, but they are pretty good guys. But they place their own survival on their death bed repentances in last gasp desperation efforts to survive. That sort of thing has been placed ahead of what is best for our country and for our people. I hope that the Conservatives do not believe that the Liberals all of a sudden have gone wild eyed left wing radicals with a bill like this. If that makes them wild eyed left wing radicals, it must make the Conservative party left of centre as well.

The Liberals have always bragged about being in the middle and going down the middle of the road. They still do not understand or realize that all the action takes place in the middle of the road. You cannot have it both ways, and that is what this government is trying to do. It is trying to maintain a multinational control over our petroleum resources. We hear it said, "Leave it to them", but only when we get into some kind of an emergency, which on the surface appears temporary. Then we hear it said, "maybe we will have to step on some toes." But never mind, Gulf will still send $28,000 to the Tory party. One cannot expect a Conservative member of parliament to kick Gulf around. Imperial Oil was a cheapskate; it sent only $2,700 to the Liberals a few years ago.

An hon. Member: I wonder why.

Mr. Benjamin: Canadian Pacific—PanCanadian Petroleum—which serves us in so many ways, sent $3,600 to the Grits, but CP Hotels sent another "thou". This illustrates that when a political party of any complexion or stripe goes through these kinds of exercises—more for the purposes of their own survival than in the best interests of our nation, people, and resources—surely that is some kind of betrayal of the honourable and worth-while profession of politics.

I have said that about my friends in the Liberal party. My friends in the Conservative party have been no better, in fact they have been worse. They started out like gangbusters against this legislation. When they realized the faux pas they had pulled off, evidenced by the temporary public mood, they acted like a stud horse, which is turned into the pasture. It sniffs the wind to find out where the mares are, and whichever way the wind blows that is the way to go. In other words, it is one thing today and something else tomorrow. We usually shift those kinds of animals to the slaughterhouse; they might make good dog meat. But they cannot have it both ways either. They cannot say at the beginning of a debate that this legislation is socialistic and dictatorial, etc., etc., and then all of a sudden fold up like a bunch of let-out balloons—

An hon. Member: Paper tigers.

Mr. Benjamin: —starting as of last night. Not only are they paper tigers but they have not been able to meaow as loud as the minister has.

Surely this is an opportunity for this parliament in some reasonable, unanimous way, to take hold of this part of our rich resources to say, "They are ours". We should say that we will hire Imperial, Texaco and Gulf to do whatever job we need done to suit our needs. But everything must be ours, to own and control. This will make everyone feel proud to be a Canadian. This will do as much for national unity and confederation as a lot of other things the Liberals and Tories try to talk about. It is pride in our nationhood, in our capacity, in our own resources and what we can do, instead of sitting around kissing the backsides of foreign companies and foreign countries and having foreign investment. This is just like a hound-dog sitting on a cactus with needles up its backside, howling. All we need to do is to get up and do it ourselves.

We will support this legislation. We hoped the government would have accepted our amendments to make it more meaningful and stronger. I hope it is not a temporary aberration on its part. I hope it is a permanent policy whether or not the Liberals are in government or whether they win the next election. Surely that is a direction in which every political party in this country worthy of being called a Canadian political party has to go. We may use different methods. We may have different ideas about how to do it, but surely there can be no argument about what we have to do as a nation. We must take control, direct and own our own resources. If we do any less than that we cannot survive as a self-respecting sovereign country.

I hope the Conservatives will complete their conversion on this short road of opposition, and support the legislation as well, despite whatever inadequacies there are in it. I hope this government will act on it and use it. No longer should Canadians be embarrassed in front of one another, or in front of people in other countries. We can do it even better with more than this kind of legislation, but let us make do with this for now.

● (2150)

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I am happy to take part in the debate on third reading of Bill C-42, an act to provide a means to conserve the supplies of energy within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada.

At the federal-provincial conference on the economy held in October, 1978, the first ministers agreed on several points. Among those was energy about which they recognized that all regions of Canada had direct interest in achieving greater self-sufficiency in the field of energy and the early development of large projects, particularly in the areas of heavy oil, oil sands and hydroelectric power.

Since the beginning of 1979, Mr. Speaker, two events have shown the federal government has neither progressed toward self-sufficiency in energy nor seriously entertained the development of major projects, yet at the same time mortgaging the energy future of this country. The two events to which we are referring are these: the incident caused by the multinational Exxon and the introduction of emergency legislation, Bill C-48, that followed the National Energy Board report on natural gas in Canada. The first revealed the vulnerability of our foreign oil supplies while the second showed the fragility of our gas reserves. Today I want to shed light on those two events. In each case we want to describe the event, underline its significance, determine the role played by the federal government and come to a conclusion. We will also deal with the relationship between those two events which at first do not seem to have an apparent affinity. In short, we propose to show the results and the effects of the lack of planning by this government in the field of energy.

On February 28 last, the National Energy Board released its report on natural gas. The report, as many others, made the headlines and was forgotten. Yet it contained conclusions and recommendations likely to influence Canada's future and turn into an election issue for the Liberals during the coming campaign.

For the general public, which is not familiar with "energese", the data and figures supplied by the report are of marginal interest. We shall therefore attempt to hold the debate in the vernacular while explaining the bearing of the report on the eve of an election. We shall dwell at greater length on the conclusions with regard to exporting our surpluses of natural gas and the eventual shortage of hydrocarbons.

The mandate of the National Energy Board is given on the first page of the report, and reads as follows:

To find out the views of the industries concerned, the provinces and general public on matters of supplies, demand and surpluses (of natural gas).

In order to do so, the members of the board undertook a 26-day flash-visit across Canada starting on October 11, 1978. They visited successively Calgary, Vancouver, Halifax, Quebec city and Ottawa. In all, the board received 89 briefs from both public and government organizations, and the gas industry. This industry submitted by far the greatest number of briefs.

We must first conclude that the board visited very few cities and in too short a time since it passed through five cities in 26 days. How could it really investigate all the pros and cons of the issue? Moreover, only two relatively major groups truly defended the point of view of the public.

In the first place, the recommendations or conclusions of the board attempt to please everyone. In a few words, what it is saying is that there are exportable surpluses, but not as many as the industry would wish. We have schematized them, Mr. Speaker.

Canada has a natural gas surplus of two trillion cubic feet which could be exported over the next eight years. Second, proven remaining reserves in traditional areas amounted to 66.1 trillion cubic feet at the end of 1978, which represents an increase of 4.7 trillion cubic feet since 1976. Third, exports to the United States could be increased by 25 per cent. There could be natural gas shortages in Canada starting in 1992. The board anticipates that the opening of new markets in eastern Canada could represent about 180 billion cubic feet in 1990, providing this gas is competitively priced. Revenues of $4.3 million a year from the sales of gas surpluses are expected during the next eight years. The demand for natural gas on existing markets will increase by about 3 per cent a year between 1978 and the year 2000.

The board is not infallible in its estimates, far from it! In its 1975 report, it came to three main conclusions about natural gas: first, the possibility of a natural gas shortage during the seventies; second, a restriction of exports to the United States, and third, a restriction in the expansion of the natural gas domestic market.

There has not been any gas shortage, exports to the United States have continued and only the conclusion concerning the restriction of the domestic market expansion has been proven valid.

With such a record, we must show some caution in accepting the conclusions contained in this report. We must admit that the task of estimating natural gas supplies and surpluses while attempting to predict eventual shortages is a rather risky and complex science. We kept reminding ourselves of that premise while we analysed the conclusions of the report. As we have already stated, such are the conclusions dealing with an exportable surplus of natural gas and with an eventual shortage which held our attention.

In reading that conclusion we realize that the board tried to sit on the fence. It tells us that two trillion cubic feet of natural gas could be exported to the United States, which is indeed only one-fifth of the demand made by the oil industry. Nevertheless the board mentions that there is a surplus. How can we explain that before February 28 last there was no exportable surplus and that overnight we have some?

Mr. Speaker, may I call it ten o'clock?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

CONSUMER AND CORPORATE AFFAIRS—JOBS LOST THROUGH BANKRUPTCIES—WAGE CLAIMS OF EMPLOYEES

Mr. F. A. Philbrook (Halton): Mr. Speaker, on March 12 I posed a question to the Minister of Consumer and Corporate Affairs (Mr. Allmand) on the so-called bankruptcy bill, S-14, which was reintroduced from the Senate on the basis of a previous bill. I have a particular concern about this bill and there is a special reason for it; I am afraid I reacted rather suddenly and strongly.

● (2200)

A couple of Christmases ago I happened to be working in my office on Christmas eve, late in the afternoon, and suddenly I found I had a group of very distressed workers on my hands. They had just been told their company had gone bankrupt; they had expected their Christmas pay and they had nothing to go on. They were very upset and uncertain about what to do. I have never forgotten that experience. Fortunately, the Unemployment Insurance Commission came up rather nobly. The men helped each other to a certain extent, and though it promised to be a bleak Christmas, especially for the children, they managed to make it through. That sort of thing leaves an indelible impression.

I should like to make it clear at the start for the benefit of the minister, a good-hearted man who has the interest of the workers and ordinary men at heart, that by and large there is a good deal in this bill which is of merit. But there is one particular area with which I am particularly concerned.

I pointed out at the time I asked the question that the bankruptcy of companies for which they work means a serious loss every year to the workers of this country. Something like $4 million in wages is lost in this way every year. Such losses concern people who are least able to protect themselves.

Parts of the bill which have merit include the provisions for the consolidation of our bankruptcy laws, clarifying existing law, and dealing with both consumer and commercial interests within the framework of one piece of legislation. Provision is also made for delegation of responsibility to the provinces, and for the imposition of a personal liability on directors in certain circumstances. Other parts of the bill relate to receiverships and the position of insurance companies.

Then we come to the part which concerns the protection of various elements in a company. This is what is of most concern to me and, I believe, to many others. It would reduce the preferred claims of the Crown, that is, the tax man, with a view to increasing the return to ordinary, unsecured creditors. That is good. It also grants to wage earners a priority over unsecured creditors up to $2,000 in unpaid wages, plus an additional $500 for various fringe benefits. That is not bad, though it could be improved.

What concerns me is that it gives preference for first claims on assets to secured creditors ahead of ordinary workers. Although there is an important place for secured creditors when businesses do not work out well, the people who need protection most, those who are least resourceful, are the ordinary workers. I have considerable sympathy for unsecured creditors, many of whom represent small companies, whereas secured creditors are often bigger firms such as bankers and security companies which arrange the principal financing.

● (2205)

Workers have no control over the business of their employers. They have no control over what happens to them or their jobs. They often have few cash reserves and a great deal of primary responsibility for their homes and for the welfare of their children. One thing which also concerned me about the Christmas eve incident was the fact that the workers went to their union and asked for help, and the union did not seem to show much interest or offer support or even consolation. I do not think that is typical, but it certainly can happen, and it was very unfortunate.

Since I raised this subject I have noticed a great deal of support for my position. This support has come from my colleagues in all parties. A former minister, the hon. member for Windsor West (Mr. Gray), originally put in the provision that workers would be served first.

Mr. Orlikow: What happened to that?

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. member that his allotted time has expired.

Miss Aideen Nicholson (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I want to thank the hon. member for Halton (Mr. Philbrook) for his question. I share his concern that workers be able to recover their just wages.

In the earlier version of the bankruptcy bill, Bill C-60, which was introduced in this House on May 5, 1975, wage earners were accorded a priority for wage arrears up to $2,000 over the claims of secured creditors. The subject matter of Bill C-60 was referred to the Senate Committee on Banking, Trade and Commerce, which received briefs and heard witnesses. Groups from business and the professions objected to the proposed wage earner priority on the ground that commercial lending and financing would become uncertain if secured creditors were deprived of their protection. It was pointed out that this provision, if enacted, would make it difficult for small, labour-intensive firms to get financing to stay in business and to continue to offer employment. So the Senate committee recommended that that provision be deleted.

Bill S-14, the bill now before the Senate, however, does give wage earners the status of preferred creditors, that is, their claims of up to $2,000 in wages and up to $500 in pension and

health and welfare contributions follow those of secured creditors but take precedence over other creditors.

Together with directors' personal liability for unpaid wages and contributions, employees' protection under the bill is considerably improved. A number of commentators on the new legislation have suggested, for further protection, a funded insurance scheme to protect wage earners in cases of bankruptcy and insolvency, and the new bankruptcy legislation authorizes the Superintendent of Bankruptcy to gather additional information which will help evaluate both the problem and the need.

At the present time there is information about unpaid claims against bankrupt estates, but there are three types of claims about which there is no accurate information because there is no statute requiring disclosure of the information necessary to assess the aggregate amount of wages in a given year. These are receivership liquidations, realizations under Section 88 of the Bank Act, and mechanics' lien claims. With this fuller information it will be possible to see exactly what is involved in an insurance scheme which would provide protection for wage earners and avoid the distress the hon. member for Halton has described, and which all of us have encountered at our constituency offices.

INDIAN AFFAIRS—FUNDING OF PROGRAMS FOR TRAINING OF NATIVE TEACHERS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, a week ago, on March 13, I asked the Minister of Indian Affairs and Northern Development (Mr. Faulkner) whether he could see his way clear to finding the money to make up the loss of funds for the native teacher training programs which have been such a tremendous success in Manitoba. The programs have been operating for a number of years out of Brandon University, of which my colleague, the hon. member for Winnipeg North Centre (Mr. Knowles), is the chancellor.

I want to demonstrate the need for these programs by quoting from two studies. One such study was reported in the Winnipeg *Free Press* on March 17, 1979. It summarized a study which was done by Verna Kirkness for the Department of Indian Affairs and Northern Development. It was a report on the education of Indians in federal and provincial schools in Manitoba. I should like to refer to a couple of the illustrations contained in the article. It reads in part as follows:

● (2210)

Seventeen per cent of Indian students in Manitoba fail Grade 1, a recently released study on Indian education reports . . .

Ms. Kirkness reported that 30 per cent of all Indian students are at least one year behind in school for their age . . .

Only 10 per cent of Indian students attend high school—

Then, according to the article, she went on to make recommendations on how to deal with these very serious problems. One of the recommendations is that schools with Indian students should hire native teachers.

[Miss Nicholson.]

The study was conducted jointly by the Native Council of Canada and the native employment division of the Canada Employment and Immigration Commission into the educational status, among other things, of Metis people and non-status Indians. It reads in part as follows:

Approximately one half of the Metis and non-status Indians surveyed had completed nine or more grades of schooling compared to three quarters of the general Canadian population.

In other words, 50 per cent more of the non-native students complete grade 9.

It continued:

The figures for Grade 13 or more—some post-secondary to completion of university degree studies—show that the natives were much less likely to take higher education. Two and one-half per cent of Metis and non-status Indians and 26 per cent of Canadians completed 13 or more grades of schooling.

One of the reasons is that there are so few native teachers. When the New Democratic Party was the government of Manitoba, it decided to do something about that. They established a number of programs operating in and out of Brandon University. There was IMPACTE, the Indian and Metis program for training and education. There was the BUNTEP, the Brandon University Native Teachers' Education Program. Also there was the Winnipeg centre operating in the core area of Winnipeg. These programs were very successful. As I indicated in my question, over 300 people have been certified and graduated with an education degree from these three programs.

What happened? The programs were funded jointly by DREE, that is, the federal government and the province of Manitoba. In 1977-78 they had between $2.8 million and $3 million for these programs. In 1978-79 they cut back approximately 20 per cent to $2.4 million. This year they were cut back again to $1.99 million. The IMPACTE program was for status and non-status Indians south of latitude 53. It had programs in Brandon University, Swan River, Dauphin and Camperville. The Camperville program has gone.

The BUNTEP program operated north of the 53rd parallel or in unorganized territory. It operated at The Pas, Fairford, Oxford House, Norway House, Cross Lake, Island Lake, Peguis and Split Lake. The program at The Pas has been cancelled and the student population was reduced by 15 per cent.

The program at the Winnipeg centre is under attack also. The special mature program was to help train native people in courses other than teaching. It had 25 to 30 students, and now it has been cut to 15 to 16 students. Approximately 300 people, almost all natives, have graduated as teachers. They are working in the core area of Winnipeg. They are working in many of the schools around the province. The reports I have been able to get from school superintendents are that they are doing superb jobs. They know the native people come from the same background.

● (2215)

For the usual supposed reasons of restraint, the provincial government, which was only paying 40 per cent of the pro-

gram, cut back 20 per cent last year and proposes to cut back another 20 per cent this year. What I am urging is that the minister find the money to continue these programs. The department spends a great deal of money, and not many of the programs it has have shown the same kind of positive results in finding useful and dignified employment, which is not only good for the people who have graduated, but set an example for the whole native community. I urge the minister to find the money to carry on and, indeed, to expand this program rather than have it cut back, as it has been in the last two years, and in all likelihood it will be cut to virtually nothing in the next couple of years.

Mr. Hugh A. Anderson (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, the hon. member for Winnipeg North (Mr. Orlikow) has raised several questions regarding the effect of provincial restraints or cutbacks on federal-provincial cost-sharing agreements for education of native teachers at Brandon University in Manitoba.

At present, as the hon. member has mentioned, there are three such programs available to Indian people in the province from this very distinguished university.

First, there is the project for the education of native teachers, known by the acronym PENT. This program is given at the university and is sponsored by the Department of Indian Affairs and Northern Development and the Frontier School Division, which is a provincial body. Funding for this program is 75 per cent from the federal government and 25 per cent from the province. I understand this program is operated on five-year cycles of ten weeks per year. It is open to paraprofessionals, that is, teachers' aides who receive certification as fully qualified teachers on graduation from the five-year program.

This program has been in operation since 1971, I understand, and has had four graduating classes to date. I am very pleased to announce that provincial funding will not affect this program in any way. Both the Department of Indian Affairs and Northern Development and the Frontier School Division are continuing their sponsorship, and a new group of students is expected to enter this program this summer.

A second program that is being offered by the University of Brandon at the present time is the Brandon University North Teacher Education Program, or BUNTEP. This program is sponsored by the Department of Regional Economic Expansion and by the province of Manitoba under the Manitoba Northlands Agreement. It is offered, as the hon. member has said, at various centres or communities throughout northern Manitoba. Indian and Inuit affairs provide classroom space or professor accommodation wherever possible, if the program is located in an Indian reserve community. However, we are not directly involved in the funding of the program. I understand this is a full-time, three-year program.

Having regard to restraint by the provincial government, it does affect this program and it will reduce the total enrolment in the program to 90 students from the current 105. This is a relatively small reduction and we do not expect it will affect any Indian communities where the program is now operated.

Finally, there is the regular entry teacher education programs offered by the University of Manitoba as well as Brandon University. I can assure the hon. member that the Indian and Inuit affairs program of this department will continue to sponsor students to enter these programs as we have done in the past. I would also like to assure the hon. member that provincial restraints will have no effect on this program as the province does not sponsor Indian students who are attending the two universities.

Through these programs the Manitoba region of Indian affairs has more than 200 registered Indian student-teachers enrolled. This is a very important part of our post-secondary education assistance program in this department.

There are two points that have to be made. First, in respect of the program that is being cut back, it is not funded by the Department of Indian Affairs and Northern Development; it is DREE that is the contributing federal sponsor. The second intervention I must make—

● (2220)

The Acting Speaker (Mr. Turner): Order. I regret to inform the hon. parliamentary secretary that his allotted time has expired.

POST OFFICE—REASON FOR DELAY IN UNLOADING MAIL AT GATEWAY PLANT—WITHHOLDING OF DELIVERIES BY BULK MAILERS IN TORONTO

Mr. Rob Parker (Eglinton): Mr. Speaker, on March 2 I rose to ask a question of the Postmaster General (Mr. Lamontagne). I found his answer, as his general performance in that of his department, unsatisfactory. The previous day the minister made a statement in the House that qualifies as a national joke to the effect that 95 per cent to 97 per cent of Canadian mail is delivered within one or two days. That statement must have had Canadian consumers rolling on the ground with glee, because anybody who has ever spent 14 cents for a stamp knows that that does not happen.

The question specifically related to two occurrences at the Gateway plant at Mississauga in Toronto. One situation was that some 60 tractor trailer loads of mail sat unloaded at that plant for upwards of 48 hours. I asked the minister if he would explain that. Secondly, I asked him why officials at that plant had been requesting at least one large bulk mailing operation in Toronto to delay its deliveries to that plant for a period of up to a week because they were too busy to handle it.

The response from the bulk mailers, which I did not include in the question, was that they would be happy to delay it and store it on their own premises provided the Post Office would certify it as delivered to the Post Office as was undertaken by that commercial mailing company to their clients. The Post Office said that they could not do that, so the bulk mailer went ahead and delivered it to the Gateway plant where, presumably, it was tossed in a corner for a week or more.

The reason for this is that there is a heavy rush by the bulk mailers in this country in an attempt to beat the postal increase of April 1, and it is a pretty logical rush. If one has a choice of lousy service for 14 cents apiece or lousy service for

17 cents apiece, it does not take a genius to pick lousy service for 14 cents.

The Postmaster General's answer to my question was to the effect that he did not know anything about that but that he wanted to reassure everybody that Ontario was now under the direct management of the Deputy Postmaster General and that everything would be just dandy. The only thing that I can think of which is worse than that would be that if he promised to take personal charge of the postal service in the province. There is no information in the minister's answer generally for Canadians about what is happening in the Post Office, but Canadians do know a few things about the Post Office.

Canadians know that over the last ten years and as of April 1 this year rates will have virtually tripled. They know that the deficit will not only have tripled once but tripled three times. It is virtually nine times higher than it was when this government came to office, a government which has given us eight Postmasters General. They know that the Crown corporation, a Conservative policy that was adopted by this government—but, as usual, they got the words right but not the music—is being tried and that it is falling to pieces because the government does not know how to put it into effect. The consultation with unions that was promised when they began to implement that policy has just not materialized. The unions themselves in recent days have been forced to advertise, telling the public that the kind of Crown corporation that is being proposed does not solve the difficulties which face the Post Office.

Canadians know something else. They know that change in a postal service is possible. All they have to do is look at the United Kingdom where there was a $614 million deficit just four years ago in 1975. Three years later, last year, they made a $734 million profit. Obviously, the British post office includes such things as telephones, telecommunications, a bank, and a data communications service. If one removes those departments, the British post office still made a profit last year of over $80 million.

We are not suggesting that the government make a profit of $80 million, or even eight cents. We would be happy if they just lost $80 million instead of over $500 million. That would make Canadians very happy. Their response to that kind of news about successes in Britain is to produce expensive memos and distribute them to everybody in the Post Office at the supervisory level and above. Here is a copy of one produced last year, "a calm team backgrounder" which consists of justifications for the lousy performance of the Post Office. That is their response; not a change, just a justification for incompetence.

We on this side of the House would like to hear any kind of an answer, any kind of sensible proposals aimed at reducing the bureaucracy and the cost, and which would improve the service and labour relations in that benighted department of a benighted government, the Post Office.

Mr. D. M. Collenette (Parliamentary Secretary to Postmaster General): Mr. Speaker, in taking up the cue of the hon. member for Eglinton (Mr. Parker) who wants some sensible answers, he will get a sensible answer when he asks sensible questions. I never sat through such a platitudinous, boring speech, full of clichés, as befits his former profession, and not based on fact. First of all, he was talking about the deficit. He should come to the transport committee and find out that the Post Office deficit is not $500 million as is being spread by the Conservative party in this House, but will be about $275 million next year. This will come out at a committee meeting if the hon. member ever gets there to ask a question.

● (2225)

I want to talk about the exact complaint of the hon. member. I am getting fed up, and I am sure the Postmaster General (Mr. Lamontagne) is fed up, coming into this House day after day listening to the complaints from members on the other side in the Conservative party who are trying to second guess hard-working men and women who are trying to operate the Post Office. If they want to talk about matters of policy let them talk about general financing for the Post Office and other kinds of labour relations. That is fine. I am sure the hon. member has a spy out at the Mississauga plant who sees 60 trucks lined up with mail and therefore says something is wrong and that the delay is one week, that people are not getting their mail.

If he had done his homework he would have found there is a good answer to that. He answered his own question. A lot of bulk mailers are trying to beat the mail increase that is coming into effect on April 1. The Post Office does gear to peak periods. It is like the Toronto Transit Commission. The hon. member is from Toronto and he should know something about gearing for peak periods. The Toronto Transit Commission does not have a full staff of bus drivers, train drivers and streetcar drivers around the clock. They gear to peak periods, and the Post Office does that. What is happening is that a lot of bulk handlers are trying to take advantage of the cheaper rates. That is normal. We are trying to come to grips with that particular problem. What happened is that the hon. member gets a tip off from some friend who works in the Gateway plant or some spy that he has out there, and then gives this as an example of the deteriorating mail system. Every day we have to come here and listen to this.

The majority of bulk mailers have agreed and complied with staggering hours for phasing things in, but some of them wanted to take advantage of the fact that the rates will be going up on April 1. That is the reason there were 60 trucks. I forget the figure the hon. member mentioned, but they were only there for 24 hours. The delay did not concern first class mail as implied by the hon. member's irascible question, but was second, third or fourth class items where a delay of 24 hours would be quite acceptable and quite within the norm. He has questioned the fact that the Postmaster General stated that 95 or—

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the hon. member but his allotted time has expired. The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the House adjourned at 10.29 p.m.

HOUSE OF COMMONS

Wednesday, March 21, 1979

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

AGRICULTURE

NEED FOR POLICIES TO IMPROVE AGRICULTURAL AND HORTICULTURAL INDUSTRIES—MOTION UNDER S.O. 43

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, as is my wont, I rise today, the first day of spring, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity related to Canada's horticultural potential, as symbolized by the daffodils from my riding of Esquimalt-Saanich which are available in the lobbies to all hon. members.

Some hon. Members: Hear, hear!

Mr. Munro (Esquimalt-Saanich): In view of the fact that this government has failed to develop programs and policies that provide equity and equality in the area of trade and tariffs for agricultural producers, and has failed to develop programs and policies that ensure growth and development throughout the entire Canadian food system, I move, seconded by the hon. member for Elgin (Mr. Wise):

That the government move immediately to implement and amend the tariff motion to provide much needed tariff measures for producers this season, 1979, including commodity by commodity surcharges and surtaxes, and that measures be introduced to ensure a greater degree of self-sufficiency in the Canadian food system, thereby reducing the reliance of Canadian consumers on imported food supplies.

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

Some hon. Members: Agreed.

Some hon. Members: No.

[*Translation*]

REQUEST FOR INQUIRY INTO ALLEGED IRREGULARITIES RESPECTING CEREAL PRODUCERS AND DELIVERIES TO MILLS IN EASTERN CANADA—MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with an important matter of pressing necessity.

In view of the fact that the ever rising cost of feed grain triggers increasing prices for meat, eggs and other products, I move, seconded by the hon. member for Richmond (Mr. Beaudoin):

That the House urge the Minister of Agriculture (Mr. Whelan) and the Minister of Industry, Trade and Commerce (Mr. Horner) to launch an investigation to see if there is any abuse or irregularities occurring between grain growers and shipment to eastern millers and to correct that anomaly if necessary.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

CANADIAN BROADCASTING CORPORATION

COVERAGE OF PROFESSIONAL HOCKEY GAMES—MOTION UNDER S.O. 43

Mr. Dean Whiteway (Selkirk): Mr. Speaker, I too rise under the provisions of Standing Order 43.

In consideration of the refusal by the NHL to permit the entry of Edmonton, Winnipeg, and Quebec City, I move, seconded by the hon. member for Portage (Mr. Masniuk) and the hon. member for Edmonton Centre (Mr. Paproski):

That the Minister of State responsible for CBC direct the Canadian Broadcasting Corporation to either cover all professional hockey in Canada or to change the name of "Hockey Night in Canada" to "Hockey Night in Montreal, Toronto and Vancouver."

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE CANADIAN ECONOMY

MONITORING OF UNJUST PRICE INCREASES—CRITICISM OF PROPOSED NCI—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise, under the provisions of Standing Order 43, to move a motion of urgent and pressing necessity.

S.O. 43

In light of the recent announcement by the Minister of Finance (Mr. Chrétien) that a National Commission on Inflation, with 100 employees, will be established to study high food prices, which is a duplication of the mandate of the Department of Consumer and Corporate Affairs which now operates with 2,700 employees in 38 departments, at a cost of $76 million annually, I move, seconded by the hon. member for St. Boniface (Mr. Hare):

That this House direct the Minister of Finance to drop plans for appointing a National Commission on Inflation and that the Minister of Consumer and Corporate Affairs be directed to carry out his department's mandate to monitor and report unjust food price increases as well as increases in other commodities.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

SHIPPING

REQUIREMENT ON EAST COAST FOR TUG CAPABLE OF TOWING SUPERTANKERS—MOTION UNDER S.O. 43

Mr. Howard Crosby (Halifax-East Hants): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

The ocean-going tugboats available on the Canadian east coast cannot tow in safety modern supertankers and very large vessels in distress. I move, seconded by the hon. member for Dartmouth-Halifax East (Mr. Forrestall):

That the Minister of Transport be directed to make available on the east coast an ocean-going tugboat with power and capacity to tow supertankers and very large vessels to avoid further loss of life, property and environmental damage.

Mr. Speaker: Introduction of such a motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

VETERANS AFFAIRS

CALL FOR LEGISLATION TO IMPROVE PENSIONS—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, all of us in this House regret the illness of the Minister of Veterans Affairs and we all extend to him our best wishes for an early recovery.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I believe the minister would be the first to agree that even in his absence the work of his department should carry on. Therefore, under the provisions of Standing Order 43, I move, seconded by the hon. member for Timiskaming (Mr. Peters):

That this House declares its readiness to give swift passage, before this parliament is ended, to any legislation respecting veterans, particularly if it modifies the 48 per cent rule that applies to the widows of disabled veterans, adjusts the rate of compensation for former prisoners of war, or makes improvements in the War Veterans Allowance Act, and this House expresses the hope that the government will introduce such legislation forthwith.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

SPORTS

REQUEST THAT EDMONTON, WINNIPEG AND QUEBEC BE ADMITTED TO NATIONAL HOCKEY LEAGUE—MOTION UNDER S.O. 43

Mr. Louis Duclos (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with a matter of urgent and pressing necessity.

Considering that the leaders of the National Hockey League and of the World Hockey Association will meet tonight in Chicago to re-examine the feasibility of a merger of both professional hockey leagues, I move, seconded by the hon. member for Edmonton Centre (Mr. Paproski):

That the House express the wish that the cities of Edmonton, Winnipeg and Quebec be admitted to the National Hockey League and that the representatives of the Montreal Canadiens, Toronto Maple Leafs and Vancouver Canucks support the admission of those three Canadian cities.

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

Some hon. Members: Agreed.

Motion agreed to.

ORAL QUESTION PERIOD

[*English*]

NATIONAL SECURITY

SECURITY CLEARANCE FOR PUBLIC SERVANTS—WITHDRAWAL OF CLEARANCE IN CASE OF PETER TREU

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, in the absence of the Prime Minister and the Minister of Justice, I should like to direct my question to the Solicitor General who has over-all responsibility in the area of security and security clearance.

My question arises out of the release, after many years, of Cabinet Directive No. 35 governing security in the public service, of which the minister will be aware. The directive requires parties to be told that they are suspect and be given a chance to defend themselves. In the case of Dr. Peter Treu, he was not advised of the withdrawal of his security clearance. Why was Dr. Treu not told of the doubts of the government respecting his loyalty and his rights of review under Directive No. 35?

Hon. J.-J. Blais (Solicitor General): Mr. Speaker, as the hon. gentleman has indicated, this is a matter which touches more closely the responsibility of the Minister of Justice.

I would indicate that Cabinet Directive No. 35 which was published by the McDonald inquiry last Friday has been declassified for some time and, as was indicated in the House, is the subject of very intensive review within the government. Undoubtedly the government will be announcing its position relatively soon.

● (1415)

Mr. Hnatyshyn: Mr. Speaker, I know that the directive is in existence; the Solicitor General does not have to tell me that. I ask him, why was Dr. Treu denied the rights that were included in this particular directive? I ask him, specifically, if the matter is now under review, and since he has particular responsibility in this area, whether or not the odious provisions of section 6 of the existing directive, particularly subsection C, classifying as unreliable a person who is bound by close ties of blood or affection to persons living within the borders of foreign nations as may cause him to be subjected to intolerable pressures, will be deleted, because hundreds of thousands of Canadians are of eastern European descent or other ethnic descent and this would apply to them.

This provision has the effect of denying them the right of advancement or employment in the public service. Will that provision be removed, and will the Solicitor General undertake to give the commitment right now that it will be removed from the directive?

Mr. Blais: Mr. Speaker, the first part of the hon. gentleman's question, in effect, repeated his initial question. I indicated to him that I would take notice of the representations in that question.

With reference to the second part of the hon. gentleman's question, it follows upon a motion under Standing Order 43 which I believe was introduced previously by the hon. member for Prince George-Peace River and gave the impression that, indeed, people of eastern European origin would in some way be deprived of access to superior posts. That is completely inaccurate. There is no question that the provision the hon. gentleman referred to is followed with the utmost discretion. It is not at all meant to be discriminatory in any way. When the question was last raised, there was an indication that that was one of the provisions being reviewed very closely indeed.

Mr. Hnatyshyn: Mr. Speaker, the reason I want this commitment from the minister is that we have had an example of the way in which the government arbitrarily deals with the Official Secrets Act, as in the case of Dr. Treu. That case is an example of a person not receiving his proper rights from this government.

I ask the minister if the government is now revising this directive. Can the minister, as a matter of principle, give a commitment and an undertaking, now, that such directive will follow the principles of natural justice, that employees will have the right to be advised of removal or denial of security clearance and will have a reasonable right to answer charges of unreliability or disloyalty? Apparently in Dr. Treu's instance this was not the case, notwithstanding the directive.

[*Translation*]

Mr. Blais: Mr. Speaker, of course the government is interested in protecting the interest of all Canadians, especially with regard to their civil rights, and to guarantee that those civil rights are respected through access to the courts, which is a principle we all want to fight for.

With regard to the question about Dr. Treu, the hon. member knows very well that the matter will probably go before our civil courts. I therefore should refrain from making any statement which could, no matter how little, influence the attitude of the courts.

[*English*]

REQUEST FOR TABLING OF "ROLE, TASKS AND METHODS OF THE RCMP SECURITY SERVICE"

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a supplementary question for the Solicitor General based on the release of the same document, a document concerning which he knows I made inquiries about in April, 1973, in a series of questions put to the government and answered by the Prime Minister. At that time it was considered against the national interest to release it, but through the courtesy of the McDonald commission we now have it.

My question is based on a letter dated February, 1976, from the head of the security service of this country to Mr. Robin Bourne in which General Dare says:

> When I discussed the criteria used to investigate the Parti Québécois and its members with the Prime Minister, he stated that the Security Service of the RCMP does not have a mandate to conduct these inquiries unless they fall

within Items A to F of the "Role, Tasks and Methods of the RCMP Security Service."

I asked for that document to be tabled about a year or two ago. Now that we have Cabinet Directive 35, can we also have tabled the document entitled "Role, tasks and methods of the RCMP Security Service" so that we can be provided with full information with regard to these matters?

● (1420)

Hon. J.-J. Blais (Solicitor General): Mr. Speaker, with reference to the hon. member's question in 1973, I will be pleased to review *Hansard* and find out exactly the context of that question and what reply was made at that time.

With reference to the publication of Cabinet Directive No. 35, as the hon. member knows, that document has been declassified for some time. I am thankful that now the hon. member has received a copy via the McDonald inquiry. In terms of his question with reference to the correspondence exchanged between General Dare and Mr. Bourne, I will be pleased to review that correspondence and make such reply as I deem appropriate in due course.

Mr. Nielsen: The Solicitor General very adroitly sidestepped the question as to whether he was willing to table the document entitled "Role, tasks and methods of the RCMP Security Service" which I asked to be tabled one or two years ago.

My next question is this. While Cabinet Directive 35 deals with criteria to be applied to security in the public service of Canada, it does not deal with the criteria to be applied to deputy ministers and heads of agencies to which the secretary to the cabinet, Mr. Robertson, directed his memorandum of December 27, 1963. I would expect that those criteria would at least apply to heads of agencies and deputy ministers. Can the minister inform the House whether he is prepared to table any document in existence describing the criteria that are applicable to heads of agencies, deputy ministers and, indeed, cabinet ministers with regard to security clearance?

Mr. Blais: Mr. Speaker, with reference to the documents related to the procedures in security clearance used by the RCMP, the hon. member knows full well that is a matter that comes within the terms of reference of the McDonald inquiry. Those documents have been made available to the McDonald inquiry for their study and subsequent report.

In terms of the applicability of the criteria under CD-35 to a deputy minister and senior heads, that is a matter that comes within the purview of the Prime Minister or the President of the Privy Council and therefore I will refer it to them for further information.

* * *

EDUCATION

FUNDING OF PROGRAMS AT POST-SECONDARY INSTITUTIONS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have a question for the Secretary of State. Canada's post-secondary institutions are entering into a serious decline, as illustrated by the fact that in the coming year student tuition fees in the maritime provinces will exceed $1,000. It is now being

Will the minister consider the possibility of an early meeting with the Council of Ministers of Education to discuss what measures are necessary to ensure that Canada continues to have the efficient and progressive post-secondary education system which is so essential for any modern country?

Hon. John Roberts (Secretary of State): Mr. Speaker, I have been meeting with the Council of Ministers of Education for the past two years on this subject. One matter which they are very concerned about, and so am I, is the legislation which I presented for the reform of the Canadian student loans administration. I wish the hon. member could convince his colleagues to give speedy passage to that legislation, because it is members of his party who are preventing it from receiving speedy passage through the House.

Mr. Orlikow: Mr. Speaker, not many people involved with universities will believe that the question of loans is very important in the whole problem. There have been reports from almost every institution regarding the effect the shortage of funds is having on education, scientific research and library facilities.

Will the minister not only meet with the council of education ministers but consider meeting with the Association of Canadian Universities and Colleges and organizations representing the faculties which are so vitally concerned with the whole problem of university education?

● (1425)

Mr. Roberts: Unlike the hon. member, I do think the issue of student loans is a very important one and so do the members of each of the provincial governments which have been pressing this legislation on the House. I have met with all the bodies the hon. member has mentioned with the possible exception of the faculty members, with whom I would be pleased to meet at any time.

CONCERN ABOUT CUTBACKS IN EDUCATION

Mr. David Orlikow (Winnipeg North): A supplementary to the Deputy Prime Minister. Last week, in Vancouver, the Prime Minister agreed to meet with the National Union of Students to discuss their concern about the effects of the cutbacks in education by the federal government.

Can the Deputy Prime Minister tell us whether the necessary arrangements have been made, or will be made, so that the representatives of the 400,000 students can make plans for the kind of meeting they hope to have with the Prime Minister?

Hon. Allan J. MacEachen (Deputy Prime Minister and President of Privy Council): I have not discussed the matter with the Prime Minister so I cannot really be helpful to

the hon. member, though I will draw the hon. member's representation on this point to his attention.

* * *

[*Translation*]

AIR TRANSPORT

INQUIRY WHETHER GOVERNMENT HAS TAKEN DECISION ON TAKEOVER OF NORDAIR

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

Can the minister tell us whether he has reached a decision about the offers received a few days ago for the sale of Nordair?

[*English*]

Hon. Otto E. Lang (Minister of Transport): No, Mr. Speaker. We have been looking at many propositions in relation to the shares of Nordair, and of course we shall want to take into full account all the representations which have been put forward to me or to Air Canada. I expect we shall be able to make a decision very soon.

[*Translation*]

Mr. Beaudoin: Mr. Speaker, on a supplementary.

Would the minister tell us whether his decision will also take into account the recommendations of Quebec and Ontario which, according to the information we have been getting at our offices, would like to have a strong regional carrier for the greater well-being of each of those provinces?

[*English*]

Mr. Lang: I can assure hon. members that we will take every representation made to us into account and give appropriate weight to each one.

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LOTO CANADA

TICKET SALES IN DRAW NO. 12

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker my question is addressed to the Minister of State (Fitness and Amateur Sport): it relates to Loto Canada. Early in March, Loto Canada attempted to boost lagging ticket sales for draw 12 by issuing to wholesalers hundreds of gold pouches containing $5 cheques and instructing wholesalers that retailers were to receive one $5 gold pouch for each 25 tickets purchased.

Can the minister confirm that, since Loto Canada decided that retailers could keep these $5 cheques even if they returned for a refund the tickets they had ordered from Loto Canada, it is clearly possible for retailers to put in last-minute orders for tickets they know they cannot sell, simply in order to collect the $5 gold pouches?

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): Yes, Mr. Speaker, the pouched $5 cheques to which the hon. member refers are part of Loto Canada's usual incentive program, though in a different style, designed to assist our retailers in selling.

Some hon. Members: Oh, oh!

Mrs. Campagnolo: Perhaps hon. members opposite who are laughing do not have the same low opinion of the retailers in their constituencies as the hon. member seems to have. I believe the corporation has taken every precaution to avoid abuse and I expect our retailers will handle this in their usual competent way.

Mr. Beatty: I am afraid the minister is handling it in her usual incompetent way. I have another question to ask. On October 5, she signed an agreement with the provinces. Part of that agreement provided that total prizes offered would be no more than 50 per cent of gross sales and that advertising and promotion costs for all lotteries in Canada would be limited to 4 per cent of total gross sales.

Is the minister aware that in the opinion of the provinces Loto Canada is already in default of this agreement signed as recently as October and, if so, what action does she propose to take to remedy the situation?

• (1430)

Mrs. Campagnolo: Mr. Speaker, if that is so, I suppose it must have to do with the definition of what the media purchase would be in consideration of the 4 per cent figure. If, indeed, Loto Canada is in excess of that, I believe over a period of a year it would appear that we would be on a proper percentage basis. But there is no doubt that the books of Loto Canada would be open for such a discussion, provided all the provinces' lotteries were approached in exactly the same way. I think we could have a mutual auditing of books on this matter.

Mr. Beatty: It would be interesting, also, to hear the minister's comments with regard to total prizes offered and whether or not she has any doubt whatsoever that Loto Canada is in default of the agreement she signed with the provinces.

On Monday, when she spoke to the press, the minister attempted to justify the special deal with Miracle Mart by drawing an analogy to a car dealership which had some employees who did not sell properly. The minister indicated that those people would be, and should be, put off the payroll. How does that analogy apply to Loto Canada's lagging sales, and does the minister intend to put some people at Loto Canada off the payroll?

Mrs. Campagnolo: Mr. Speaker, I am very impressed with the hon. member's concern about our retailers and wholesalers, because his leader would put all 30,000 of them out of their jobs.

An hon. Member: Oh, come on.

Mrs. Campagnolo: In the matter of Miracle Mart, Loto Canada is obviously servicing an area which previously was not served well. There is no possibility of detracting from the sales of the existing retailers, and I think the hon. member should be just a little more careful in the way in which he demeans our wholesalers. There are 187 of them across the country and they are providing an extremely good service. The merchandising program entered into represents a normal business practice in any other type of corporation.

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EXTERNAL AFFAIRS

DISPOSITION OF BOYCOTT LEGISLATION—EFFECT OF PROVISIONS

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, I have a question for the Deputy Prime Minister. Can the Deputy Prime Minister tell the House of Commons whether the Minister of Industry, Trade and Commerce was expressing the position of the government when he said that Ontario's anti-boycott legislation is costing Canada trade and then when he went on to say, and I quote him exactly, "We certainly don't want to lose trade with Arab nations"?

Is it the position of the Government of Canada that the central preoccupation of the government in relation to boycott legislation must be to avoid losing trade with Arab nations?

Hon. Allan J. MacEachen (Deputy Prime Minister and President of Privy Council): Mr. Speaker, on the latter point, the Leader of the Opposition must know that it is the policy of the Government of Canada—and I believe this view is supported by the Canadian people—that this country should trade with all nations except those which have been embargoed by action of the United Nations. That is the policy we have followed.

With respect to the more fundamental question which I believe underlies the concern of the Leader of the Opposition, I would tell him that it is obviously the policy of the Government of Canada to deplore and disapprove of boycott clauses which would in any way affect the human rights of Canadian citizens. That is quite fundamental to our policy; it is the basic principle.

Some hon. Members: Hear, hear!

Mr. MacEachen: There have been differences of opinion as to the way in which a government ought to deal with such boycott provisions. The government of Ontario has taken a certain course of action about which the Minister of Industry, Trade and Commerce has made some comments presumably based upon trade information within his possession. So it is not really a question of opinion or policy; it is a question of fact based upon information available to the minister. We have taken what I think is a reasonable position by putting before the House a boycott bill which we will call just as soon as possible.

[Mrs. Campagnolo.]

Mr. Clark: Mr. Speaker, one fundamental question the Deputy Prime Minister skated away from is whether the Minister of Industry, Trade and Commerce was expressing the position of the government when he expressed those views as a minister. I would like the Deputy Prime Minister to come to that.

I would like him, also, to tell us now when he intends to introduce into this parliament, so that we might amend it, the anti-boycott legislation which we consider inadequate but which has been introduced into this House of Commons. When will it be before the House? Is it a priority bill? Does the Deputy Prime Minister not agree that the statements of his colleague make it a priority bill now, even if it was not before?

Mr. MacEachen: Mr. Speaker, on two occasions in this House I suggested that I was prepared to bring forward this bill and have it passed in a single day with the agreement of the parties. Now the Leader of the Opposition tells me he opposes the bill and wants to make amendments. Obviously, that arrangement could not possibly be carried forward, under his conditions, in one day.

Mr. Clark: Mr. Speaker, one of the reasons we are interested in a debate is so we can hear from all of the ministers as to their differing views on boycott legislation. However, certainly we consider this legislation, as it is framed, to be inadequate and we have amendments we want to propose. We will propose them expeditiously; we will debate them expeditiously. We cannot give the Deputy Prime Minister a time limit to allow him—

Some hon. Members: Oh, oh!

Mr. Lang: Can you give us your amendments?

Mr. Clark: Oh, yes.

Mr. Lang: Will you show us your amendments?

Mr. Clark: We do not propose to allow the government to impose closure in advance on this piece of legislation, as it has tried to do on others, but we do propose to give the government a reasonable opportunity to bring forward a bill which we will debate within reasonable time limits.

Acting on that guarantee, I wonder if the Deputy Prime Minister will now give us an indication as to when that bill will be brought forward so that we might amend it and so that we might have a national policy on boycott practices by foreign nations, instead of having to rely upon provincial policy which is condemned by the responsible federal minister.

Mr. MacEachen: Mr. Speaker, I think it is important to underline what the Leader of the Opposition has said. I made a proposition to the House on two occasions, indicating that I would bring forward this bill provided the House agreed to pass it through all stages in one day.

Mr. Lawrence: Rubber-stamp it.

An hon. Member: We are not your backbenchers.

Mr. MacEachen: I am glad to say that the New Democratic Party has agreed to that proposition. Today, the Leader of the Opposition has rejected it.

Some hon. Members: Shame.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, the last recorded word in this House of Commons with respect to the position of the New Democratic Party is that it would deal with that bill quickly. We intend to deal with that bill quickly. When will the government bring it forward?

Mr. MacEachen: Mr. Speaker, hon. members opposite respond to headlines. They ask about House business on a Wednesday because there happened to be a headline story relating to the international boycott. Tomorrow is the normal day on which we deal with House business.

Some hon. Members: Oh, oh!

Mr. MacEachen: Tomorrow I will tell the hon. member the business for the future. But I am unhappy and disappointed at receiving a statement from the Leader of the Opposition that he is not prepared to pass this bill with the same speed and the same concern as the New Democratic Party.

Mr. Baker (Grenville-Carleton): John Roberts looks pretty worried about that answer.

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PENITENTIARIES

PROGRAM FOR WIVES AND MOTHERS TO VISIT INMATES—CRITICISM OF CUTBACK

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Solicitor General. It concerns the program of the John Howard Society for visitations by wives and mothers to the inmate population in various prisons in Canada. That program costs the federal government some $27,000 a year.

In view of the fact that the government is spending some $250 million on prison construction, can the minister explain why it is cutting back the very modest amount of money which allows wives and mothers to visit inmates? Is this part of the continuing government policy of cutting back on all services to women?

Hon. J.-J. Blais (Solicitor General): Mr. Speaker, I will take the information advanced by the hon. member and the point he has made as a representation and consider the matter in the spirit in which it was advanced. I will be pleased in the very near future to announce to the hon. gentleman the course of action I propose to take with exact reference to his representation.

● (1440)

Mr. Leggatt: I am a little surprised that the minister was not aware of this, because it has been covered in the press; but I appreciate the possibility it may be restored and I am sure these people would be very happy.

My supplementary question is as follows. Part of the recommendations of the subcommittee on penitentiaries dealt with the question of increasing visitation rights for inmates. This House unanimously accepted the recommendation of the Standing Committee on Justice and Legal Affairs that a further reference be dealt with in a variety of matters which affect the prison system. Can the minister now tell the House what the terms of that reference will be, whether we will receive a reference and whether there will be limited travelling privileges for the committee in the event that the reference comes forward?

Mr. Blais: That question, generally, was asked yesterday of the House leader. I am reviewing the terms of reference and undoubtedly will either be making an announcement to the committee or tabling the order of reference before the House.

REQUEST FOR ASSURANCE THAT CHAPLAINCY SERVICE WILL NOT BE REDUCED PENDING STUDY

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, I have a supplementary question for the Solicitor General and it concerns the chaplaincy service in the penitentiaries. It is my understanding that as a result of a meeting yesterday of the Inter-Faith Council and of the senior management committee of the penitentiary service, a further study will be undertaken of the chaplaincy service within the penitentiaries.

Can the minister give us his assurance now that during the time that study is being conducted there will be no cutbacks or lay-offs in the penitentiary service of either full-time of part-time chaplains?

Hon. J.-J. Blais (Solicitor General): Mr. Speaker, yesterday I had the pleasure of meeting with the Inter-Faith Committee. An undertaking has been given to them that there will not be any cutbacks with regard to full-time personnel; but in terms of the part-time positions, certain positions were identified that could be subject to redundancy. I want to reserve my position on that until I check the facts further, but I would advise the hon. lady that we will do everything within our power to alleviate any uncertainty that is presently felt among the chaplaincy staff.

I might point out, as well, with regard to the further study to which the hon. lady referred, that in no way can it be interpreted as anything but an attempt to provide additional precision in terms of the function of the chaplaincy service, in view of some rather major changes that are taking place at present within the penitentiary service.

Miss MacDonald: Can the Solicitor General table the terms of reference of that commission's study so that we will know whether or not it fits in with the recommendations of the subcommittee's report; and also perhaps he could give us an indication of the cost of this other commission, so that we will have some idea of whether or not the cost of this commission

will be greater than the proposed cutbacks in the budget of the chaplaincy service?

Mr. Blais: The point is very well taken, Mr. Speaker. I have undertaken to provide to the hon. lady the information she has requested with regard to the terms of reference. I expect they will be ready within a short period of time. It is, of course, a priority.

The study will not be addressed solely to the question of staffing; it will also be addressed to the function of the chaplaincy service. It is a timely study, and therefore the hon. lady should not leave the impression that somehow the additional study will relate only to the question of staffing. If that were the case, of course, she would be quite right that the money spent would far surpass the saving we had originally envisaged in the cutbacks in the chaplaincy service.

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ADMINISTRATION OF JUSTICE

PROJECT ON HOME SECURITY AND SAFETY

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is for the Solicitor General. Did the Solicitor General authorize a project whereby house to house surveys are being conducted in many Canadian communities, designed to elicit information on home security and safety and, if so, will he explain the purpose and extent of such project and where the information will be stored?

Hon. J.-J. Blais (Solicitor General): Mr. Speaker, the ministry for which I am responsible has been engaged for some time in a large number of programs dealing with crime prevention. As the hon. gentleman fully recognizes, we know that active policing is not sufficient and we have to provide information to the Canadian public so that they themselves can prevent crime by taking such security measures as are needed in order to reduce the level of crime.

We have been engaged in that program for some time, it is an ongoing program, and we have a number of contracts with volunteer groups and police forces throughout the country to accomplish that purpose. The hon. gentleman would have to specify directly the areas in which the survey to which he refers are being conducted, so that I could provide him with additional information.

Mr. Towers: Mr. Speaker, it is not the information being given to the people that causes me trouble but, rather, the questions being asked. Is the minister aware that questions are asked which do not relate to security or safety of homes, but which deeply intrude into the privacy of the individual; that is questions concerning education, type of employment and whether or not the householder keeps weapons on the premises? How does the minister justify this type of questioning?

Mr. Blais: Again, as I have indicated, a large number of programs are being conducted now in terms of crime prevention. I would have to look at the questionnaire to which the hon. gentlemen refers so as to better inform myself of the nature of the questions being asked and the replies solicited.

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HOUSE OF COMMONS

DISPOSITION OF BOYCOTT LEGISLATION

Mr. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Deputy Prime Minister and it concerns the Arab boycott bill. If the Leader of the Opposition changes his mind and agrees to a one-day debate on the bill, will the House leader still be prepared to bring it forward on that basis?

Hon. Allan J. MacEachen (Deputy Prime Minister and President of Privy Council): We would not want to see a flip-flop of that magnitude perpetrated again by the Leader of the Opposition. I have already stated the case three times in the House, and it still stands. Today, it was rejected by the Leader of the Opposition.

Mr. Paproski: Okay, coward.

* * *

RAILWAYS

CIRCULAR ON RAIL LINE ABANDONMENT

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Transport: it has to do with the production of a document entitled "Can Canada really export one and a quarter billion bushels of grain a year by 1985?" It talks about what is being done and what still needs to be done and the whole thing is directed to showing what is still needed, which indicates that little or nothing has been done.

However, I am very much impressed by the expenditure of thousands of dollars in advertising in advance of a possible election, and I will direct my attention and that of the honourable and amiable minister to the last paragraphs of the document. The title reads "What you can do if your closest rail line is proposed for abandonment." It goes on to say:

> You can fight for unprotected branch lines several ways, starting right now. Here is what you can do:
>
> 1. Form a local retention committee . . .
>
> 2. Study the reasons why the Hall commission or PRAC recommended abandonment. You may find an important mistake or you may find the situation has changed.

The next paragraph is a good one.

Some hon. Members: Order.

Mr. Diefenbaker: I realize that hon. gentlemen opposite recognize that this a balloon of falsehoods. The next paragraph—

Some hon. Members: Order.

Mr. Diefenbaker: It reads:

3. Let the western arm of the CTC know you plan to defend the line . . . .

4. The western arm of the CTC can deny an application for abandonment for five years or so.

I ask the minister this: Has not the hon. member for Meadow Lake, over and over again—

Some hon. Members: Order.

Mr. Diefenbaker: —pointed out the fact that the closing of the Shellbrook to Spiritwood line was dangerous? Did not almost every municipality support that? Does he now indicate that his heart is softening as the election approaches and that that railway line will be preserved? Second, will he also say whether a similar situation prevails with respect to the Dalmeny and Laird line?

● (1450)

What further demands are necessary in order to get this minister to act, rather than the fear of an election?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, when the right hon. gentleman suggests that a good deal of the ad has to do with what remains to be done and then suggests that this proves that nothing has been done, I have to listen attentively because, in terms of an expert on doing nothing about branch lines, five years as prime minister was the right hon. gentleman's record: he did nothing at all about branch lines in those five years.

Some hon. Members: Oh, oh!

Mr. Lang: I mean, Mr. Speaker, not one tie, not one rail line replaced and not one yard of ballast went in. We have at this point in time secured as permanent and part of the network for all time to come, 80 per cent of the rail lines in that western Canadian area about which, when he was prime minister, he left five years of doubt and do-nothing—and that is his record.

Some hon. Members: Oh, oh!

Mr. Lang: Mr. Speaker, he may also have missed the point when he referred to the Spiritwood line. I am sure if he had really talked it over with the hon. member for Meadow Lake he would know that my friend, the hon. member who is going to represent Meadow Lake—our whip on the government side—long ago put the case about Spiritwood and, in fact, long ago the Prairie Rail Action Committee recommended that the line to Spiritwood be made permanent. We acted immediately to make it permanent and it is now on the list for rebuilding.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Mr. Speaker, we have cleared away one thing. The line between Shellbrook and Spiritwood, due to the activities and action of the hon. member for Meadow Lake, will be preserved. When he talks about the facts during my administration, let me say that we did not have to abandon lines, and we did not. It all started with the present government. We have got that preserved, and we would not have got it if there had not been an election facing us.

What about the Dalmeny to Laird line? What is going to be the attitude on that? I know the hon. gentleman has taken a recent course in physiognomy and he smiles.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: What about that line? Is it going to be preserved or is it not?

An hon. Member: Smile, Otto.

Some hon. Members: Hear, hear!

Mr. Lang: Mr. Speaker, it is true that I ordinarily save my smiles for private time—

Some hon. Members: Oh, oh!

Mr. Lang: —but I have to laugh out loud when I witness the party of the clap supporting the right hon. gentleman for doing absolutely nothing.

Some hon. Members: Hear, hear!

Mr. Lang: Mr. Speaker, I really ask you how the right hon. gentleman can say that we protected the Spiritwood line in order for the election to occur, when that was done a year and a half ago.

Some hon. Members: Oh, oh!

Mr. Lang: When Mr. McIsaac and I went up to Paradise Hill—

Some hon. Members: Oh, oh!

Mr. Lang: —we started moving with the line as well.

An hon. Member: What did you do up there?

Some hon. Members: Oh, oh!

An hon. Member: What happened up on Paradise Hill?

Some hon. Members: Oh, oh!

An hon. Member: Is that another branch line?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

An hon. Member: Tell us what happened on Paradise Hill?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I would like to preserve the balance of the question period, if I might.

Mr. Lang: Mr. Speaker, as far as the Laird line is concerned—and the right hon. member asked me specifically about the Laird line—I recommend that he visit the rail

retention committee and read the ad again. If he will follow it, he will find he can go before the CTC, make his argument and be heard there. That is what the ad is about. He has not read it. I hope all farmers read it and we finally get the final decision on the remaining lines, and at the end of this program, along with our $800 million rail rehabilitation program, we will have preserved lines throughout the prairies. We will be rebuilding them and all doubt that the right hon. gentleman left behind him all over the place will have been resolved and removed.

Some hon. Members: Hear, hear!

* * *

LABOUR DISPUTES

RECRUITING OF SCABS TO CROSS LEGITIMATE PICKET LINES

Mr. Arnold Peters (Timiskaming): Mr. Speaker, it is pretty hard to follow someone who has been talking about Paradise Hill, particularly when you are interested in speaking with the Minister of Employment and Immigration.

I would like to ask the minister if he is aware that a very bitter labour dispute is taking place at the Boise Cascade plant, in Kenora, and that the offices of employment in Thunder Bay and Winnipeg are recruiting scabs to drive trucks and transports through legitimate picket lines who have to be prepared to travel in convoy with OPP escorts? If the minister has knowledge of these posters that ensure danger pay and other unusual compensation, does he condone the UIC offices being used to support management in this labour dispute where mercenaries can only add to an already explosive situation?

Hon. Bud Cullen (Minister of Employment and Immigration): Mr. Speaker, one of the more difficult times we have during the course of a strike is in trying to remain neutral in the situation. As a matter of fact, there is a tendency to lean in favour of those who are working at a plant or, at least, are out on strike because we indicate to individuals, when the employer says he needs employees—and I mean those who may apply for the jobs—that the plant is on strike and that if they do not accept the particular proposal to go to the plant that is struck, they will not be cut off from unemployment insurance benefits. We also indicate we will not bring anybody in under mobility grants. But employers and employees pay into the program, pay the cost of it, and I think we have an obligation to both sides. I will concede to the hon. member that it is a very difficult time to try to remain neutral.

Mr. Peters: Mr. Speaker, I have read a lot of ads for employment, but I never read one before in which the department itself indicated that there was danger, danger pay being paid, that a high price would be paid, and which would involve bringing the people out by airplane and they would be driving in conditions where the police would be the escort. I would ask the minister if he does not think that this type of operation, where obviously the persons being hired are mercenaries in a battle, is not in keeping with our normal employment practices.

Mr. Cullen: Mr. Speaker, I would suggest, with respect, that if we did not put that kind of information down so that the individual who might be applying for the job would not be aware of the conditions, we probably would be justifiably criticized for not saying so. It is a very difficult thing. I think we have an obligation to point it out and, as I said, no one is penalized if he refuses to take the job under those circumstances.

* * *

INDIAN AFFAIRS

INDICATIONS OF REDUCTIONS IN INDIAN EDUCATION FUNDING—REQUEST FOR REVIEW

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. In his absence, perhaps I might put it to his parliamentary secretary.

In view of recent indications by the Department of Indian Affairs and Northern Development that there would be reductions in Indian education funding—and concern has been expressed by bands throughout the country—and in view of the representations which have been made by the Robinson-Huron chiefs at a recent meeting with the minister, has the minister had a chance to review this matter with his cabinet colleagues and Treasury Board so that these funds might be restored for native education programs?

Mr. Hugh A. Anderson (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, it is true that some of the secondary education programs of the department have been cut back in the restraint period, but due to representations made by members such as the hon. member for Algoma the minister will be reconsidering the allocation of education funds. I hope the announcement regarding the allocation of those funds will be made within the forthcoming week.

* * *

● (1500)

NORTHERN PIPELINES

PROCUREMENT PLAN FOR ALASKA HIGHWAY PROJECT

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I would like to direct a question to the Deputy Prime Minister, affectionately known as the pipeline czar. I would remind him that he beat his breast in order that we pass the pipeline bill and gave us every assurance that everything was all right with regard to the United States. As a matter of fact, his colleague, the Secretary of State for External Affairs, stated on February 20, 1979, in reply to a question from one of the Liberal members:

I want to emphasize once again that there is no difficulty with the United States Administration. It remains as committed to this project as it was when the Prime Minister and the President announced it some time ago.

As a matter of fact, a similar statement was made just recently. However, the United States Administration has found that the plan for procurement is obnoxious. I ask the pipeline czar, how could the Secretary of State for External Affairs be so wrong; and has he on his desk, for signature, that procurement plan?

Hon. Allan J. MacEachen (Deputy Prime Minister and President of Privy Council): Mr. Speaker, there was nothing wrong with the statement by the Secretary of State for External Affairs. I would repeat the statement today, on behalf of the government, by saying that the government of the United States is still committed to carrying forward this major international project.

What the hon. member is referring to is a procurement plan that must be submitted by Foothills Pipe Lines and approved by the minister. That plan has been circulated confidentially to the United States and provincial governments. The object, of course, is to maximize economic benefits to Canada.

It is not surprising that there might be some concerns expressed by the United States about our procurement plan. These concerns will be discussed by the pipeline commissioner who is presently in Washington. I assure the hon. member that the procurement plan that will be approved by the minister will be in accordance with the agreement with the United States and with the law that was passed by parliament.

Mr. Alexander: Mr. Speaker, it seems to me that the minister's enthusiasm and optimism has certainly been exaggerated. As a matter of fact, his credibility is showing.

The Canadian people would like to know all the facts. Can the minister give me the assurance that he will stand in his place on Friday of this week—and no later—in order to make a statement on motions outlining the entire scenario, the facts and the pros and cons with respect to this pipeline, so the Canadian people will know the whole truth and not just that part of it which comes to our attention by way of press comments every now and again. Will he give us an opportunity of hearing the whole story?

Mr. MacEachen: Mr. Speaker, I am surprised that the hon. gentleman should be asking for the whole story and complaining about a lack of facts. Last night I appeared before the standing committee dealing with northern pipelines. I made an opening statement and I answered all the questions that were put to me by members of the committee. If the hon. gentleman had been on his toes and off the mark—

Mr. Alexander: Will you answer the question?

Mr. MacEachen: —he would have been there and taken advantage of that occasion.

Point of Order—Mr. W. Baker

POINT OF ORDER

MR. BAKER (GRENVILLE-CARLETON)—REQUEST FOR MEETING OF HOUSE LEADERS TO DISCUSS BILL C-32

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, my point of order is with respect to business of the House. It deals with a specific piece of legislation and is a matter which arose out of the question period today. During the course of the question period today I indicated the position which our party would be taking with respect to this bill. I want to say to the minister that it would be appropriate perhaps if we met with respect to the carriage of this bill. Given the amendments which we feel should be put to the bill, not to destroy it but to strengthen it, it is worthy of that kind of meeting. Since the matter—

Mr. Speaker: Order.

Mr. Baker (Grenville-Carleton): Mr. Speaker, the matter arose in the House.

Mr. Speaker: Order, please. Yesterday I recognized the hon. member for Yukon (Mr. Nielsen) on a point of order during which he developed some inquiries about House business related to a reference to the Standing Committee on Justice and Legal Affairs. Today the hon. member for Grenville-Carleton (Mr. Baker) at the end of the question period is raising by way of a point of order a further question about House business.

If the House wishes to proceed this way and ask questions by way of a point of order about House business at the end of the question period, I am prepared to be directed by the House. However, I think that we must be careful because what has been reserved as a point of order on Thursdays after the question period occurred yesterday and is occurring again today. I just do not want to encourage the House to drift to a point where at the end of the question period every day we ask questions about House business under the guise of a point of order. Therefore, I would want to be very strict with what we are doing here.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I share the Chair's concern with respect to this situation. However, I think that it is important that the government House leader and the House know that it is our intention to strengthen that bill—because this interest engages the attention of members on all sides of the House—and that we intend to bring amendments forward within the period of time to strengthen that bill. We want to strengthen the prohibitions in the bill.

Mr. Speaker: Surely the hon. member is indicating the intention of his party in respect to a piece of legislation. We have even drifted away from the usual Thursday point of order. I think that we are getting into what may be a debate on the bill with regard to anticipating a measure. I do not know if there is a question in the hon. member's point of order, but if there is he should put it forthwith.

Mr. Baker (Grenville-Carleton): Mr. Speaker, it is not a question of debating. The government is trying to leave the

impression that the opposition parties are not interested in Bill C-32.

Mr. Cafik: That is right.

Mr. Baker (Grenville-Carleton): The opposition parties asked questions in the House as to when the government would be bringing in the Arab boycott bill. Thus far we have had nothing but fencing from the government House leader.

Some hon. Members: Oh, oh!

Mr. Speaker: Order. Surely we have drifted far beyond the point of order. I do not know if there is a response from the President of the Privy Council.

Hon. Allan J. MacEachen (Deputy Prime Minister and President of Privy Council): Mr. Speaker, there is a response. I can understand why the hon. member for Grenville-Carleton (Mr. Baker) should rise at this point in order to extricate his leader.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): Are you going to let this go, Mr. Speaker?

Mr. MacEachen: I outlined to the House during the question period, when he and his leader asked me questions, the policy of the government with respect to the bill and the proposition which I had put to the House for the third time, which was accepted by the New Democratic Party, namely, that the bill would be dealt with in all stages in one day, and that proposal was twice rejected today by the Leader of the Opposition (Mr. Clark).

Mr. Baker (Grenville-Carleton): That is nonsense.

Mr. MacEachen: That is the situation. If they want to ask me again tomorrow I will give the same answer. The hon. member for Grenville-Carleton talks about strengthening the bill. The bill in its present form has received the approval of Canadian Jewish leaders, and I wonder why the hon. member should feel that he can improve upon their view.

Some hon. Members: Hear, hear!

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, I rise on a point of order in relation to the business of this House and when this House might be in a position to deal with a bill which we think can be improved substantially. We believe that this bill is urgent, particularly since the responsible minister, the Minister of Industry, Trade and Commerce (Mr. Horner), has made statements now which call into question the seriousness of the commitment of the Government of Canada to effect protection against Arab boycott provisions.

What we are trying to determine from the minister is whether he is prepared, in light of the new urgency caused by the statements of his colleague, to begin immediately conversations with an eye to discussing when this bill can be brought before this House and when we can have discussions among members of all parties. I see the hon. member for Windsor West (Mr. Gray) and the hon. member for Toronto-Lakeshore (Mr. Robinson), who are very much interested in this legislation and who do not want to see it cast aside. We have a number of amendments that we think will recommend themselves to members in this House, not simply on this side of the House.

• (1510)

What we want to know now from the Deputy Prime Minister and the House leader of the government is whether the government will be prepared to allow this bill to come forward so that it can be debated in the normal way with amendments introduced by the opposition and debated by the whole House. Is he prepared to have a meeting today with the other House leaders to discuss the timing of the introduction of that legislation? If he is, we are prepared—

Mr. Speaker: Order, please. If we are prepared to entertain this kind of discussion under the guise of a point of order at this time, I will have to recognize the hon. member for Winnipeg North Centre (Mr. Knowles) and other members who want to put a position before the House on their feelings with respect to a particular piece of legislation.

That is a change from the House practice. This is a point of order that we have regularly entertained only on Thursdays at three o'clock. I do not want in any way to extend the practice at the present time. I think it would be better for the House if I do not permit a reply to the last point and if I do not see any other members.

If I am to allow this exercise to go on, however, as though it were a point of order, I will have to have a general round of presentations of positions to be taken on this bill and I see no reason why positions should not then be taken on any other bill.

This is not a point of order unless we entertain this kind of point of order every day after questions. Since we have spent ten minutes on it and put some positions forward on the bill under the guise of points of order which are not points of order except as we deal with House business on Thursdays, I think the prudent thing for the House to do is to terminate the discussion forthwith and carry on with our regular routine proceedings.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I believe in all honesty that I have a question of privilege since our party has been referred to two or three times. In one instance there have been two different constructions put on what I said on behalf of our party.

It is true, as the hon. member for Grenville-Carleton (Mr. Baker) said, that the exact word I used in the House was that we were prepared to deal with this legislation "quickly". I meant by that—and I made it clear later to the government House leader—that we are prepared to deal with it in one day. I say again on behalf of our party: we are prepared to deal with Bill C-32 in one day.

Some hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*English*]

BANK OF CANADA

TABLING OF ANNUAL REPORT AND STATEMENT OF ACCOUNTS, 1978

Hon. Otto E. Lang (Minister of Transport) (for Mr. Chrétien): Mr. Speaker, pursuant to Standing Order 26(3) of the Bank of Canada Act, I should like to table copies in both official languages of the annual report of the Governor of the Bank of Canada to the Minister of Finance and statement of accounts for the year 1978.

* * *

NATIONAL UNITY

TABLING OF TASK FORCE REPORT "A TIME TO SPEAK: THE VIEWS OF THE PUBLIC"

Hon. Allan J. MacEachen (Deputy Prime Minister and President of Privy Council): Mr. Speaker, under the provisions of Standing Order 41 I should like to table two copies in both official languages of the third report of the Task Force on Canadian Unity entitled "A Time to Speak: The Views of the Public."

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 155, 176, 603 and 1,011.

I should like to let the House know that we have taken the liberty of making a correction to question No. 1,244 in the name of the hon. member for Moncton (Mr. Jones) who asked:

Who invited President de Barre, President of France, to Canada?

We have taken the liberty of making the correction and referring to the "Prime Minister of France" rather than the President of France. This has been corrected in the French language in *Hansard*. It is the same question that was published in the Charles Lynch chronicle yesterday.

[*Text*]

AIR CANADA—LEGAL FEES AND EXPENSES

Question No. 155—**Mr. Joyal:**

During the 1975-76 fiscal year, did Air Canada pay for the legal fees and expenses incurred in the proceedings instituted by Mr. Hugo Tremblay, Mr. Louis-Philippe Ally and Mr. Serge Joyal in cases No. 500-05-009-646-769 and No. 500-05-001-542-766 before the Superior Court of the Province of Quebec, District of Montreal and, if so, what was the total amount involved?

Hon. Otto E. Lang (Minister of Transport): The management of Air Canada advises as follows: Air Canada operates

on a calendar year and as both actions commenced in 1976 there were no fees incurred in 1975. There were fees paid relative to these proceedings in 1976 but Air Canada considers financial information regarding specific legal matters as proprietary.

DEFINITION OF "PRIVACY AND PROTECTION"

Question No. 176—**Mr. Cossitt:**

With reference to the answer to Question No. 1,945 of the Third Session of the 30th Parliament which showed the name of M. Ball as a Member of the Police and Security Planning and Analysis Group of the Department of the Solicitor General and listed him as being in charge of privacy and protection (a) what is a complete definition of the term "privacy and protection" as used in this regard (b) with whose privacy and whose protection is Mr. Ball concerned and what are the specific job designations of such persons in the case of government employees?

Hon. J.-J. Blais (Solicitor General):

(a) and (b) "Privacy" refers to responsibilities concerning the compilations of the annual reports to parliament required by the Protection of Privacy Act including liaison responsibilities with provincial governments, and "protection" refers to the physical protection of designated persons such as cabinet ministers.

NEW FEDERAL BUILDING—RIMBEY, ALBERTA

Question No. 603—**Mr. Schellenberger:**

Due to the state of repair of the present building, is the government considering the feasibility of a new Federal Building in Rimbey, Alberta, that will house the Post Office?

Hon. André Ouellet (Minister of Public Works and Minister of State for Urban Affairs): The government is not considering a feasibility study for a new federal building in Rimbey, Alberta, at the present time.

The Post Office is currently leasing space in Rimbey, after having exercised an option extending the tenure to 1985.

● (0000)

MR. ELDON BLACK

Question No. 1,011—**Mr. Cossitt:**

1. Was Mr. Eldon Black appointed an Under Secretary of State for External Affairs and, if so, on what date?

2. (a) What is a description of his duties in the field of security (b) is this the only service he performs for the Department and, if not, what is a detailed description of his other duties?

3. What are the details of his previous experience in matters of security?

4. Was this appointment made by the Secretary of State for External Affairs and what are the names and job designations of all persons recommending or in any way dealing with his appointment?

5. Was the Prime Minister involved, directly or indirectly, in his appointment and, if so, in what way?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): 1. Mr. E. P. Black was appointed Deputy Under Secretary of State for External Affairs as announced on August 3, 1978.

2. The appointment of Mr. Black reflects the greater need for involving senior management in co-ordinating responsibilities of the department in the intelligence and national security fields having an international dimension; it is an indication of the importance the government attaches to the protection of Canadian interests in this respect. The government's support for international efforts to combat terrorism is a good example. Mr. Black's appointment does not involve any departure from existing policies.

3. Mr. Black has held a variety of posts in the foreign service where security matters were of relevance. His posts abroad included Moscow, London and Paris; he has been Director General of the Bureau of European Affairs at External Affairs in Ottawa, and, previous to his present appointment, spent two years as assistant deputy minister at the Department of National Defence.

4. Mr. Black's appointment was made by the Secretary of State for External Affairs on the advice of the Under-Secretary of State for External Affairs.

5. No.

MR. RAYMOND BARRE

Question No. 1,244—**Mr. Jones:**

1. Who invited President Barre, President of France, to Canada?
2. When and for what purpose?

Mr. Louis Duclos (Parliamentary Secretary to Secretary of State for External Affairs): 1. The Prime Minister of Canada, the right hon. Pierre Elliott Trudeau invited the Prime Minister of France, Mr. Raymond Barre, to Canada.

2. The invitation was originally extended in 1974 to the then prime minister of France, Mr. Jacques Chirac, and was subsequently renewed following Mr. Barre's appointment as prime minister. The purpose of the invitation was to underline the importance Canada attaches to its relations with France.

[*English*]

Mr. Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

* * *

POINTS OF ORDER

DELAY IN ANSWERING ORDER PAPER QUESTIONS

Mr. Bill Clarke (Vancouver Quadra) Mr. Speaker, I should like to raise a point of order. I would remind the parliamentary secretary that a number of questions remain unanswered. While I can in no way claim the record for the number or age of questions, I have one at least that has been on the order paper for four months. The reason that I bring that question up particularly is that it concerns accountable advances as published in the public accounts this year to, amongst others, members of parliament.

[Mr. Jamieson.]

With the danger of an election being imminent and the fact that many members, particularly from the other side, will not be available to collect from after the election, I wish the parliamentary secretary would attend to question No. 560 very quickly.

Mr. Leonard C. Jones (Moncton): Mr. Speaker, a couple of weeks ago I was promised by the then parliamentary secretary that I would get some answers to my questions. He gave me one the next day but I have not had any since. I wonder if the parliamentary secretary would take notice thereof and expedite the answer.

Mr. Pinard: Mr. Speaker, the hon. member just had one answered today.

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I am back on this subject again. As I mentioned earlier this week, I have had a starred question on the order paper since October 24. I have had another question on the order paper since 1977. I have had other questions there dating back to 1978. I should like to point out, as the hon. member for Edmonton West (Mr. Lambert) mentioned when speaking on the same subject the other day, that when he was Speaker of this House he was in a position—

Mr. Speaker: Order, please. I think we ought to correct the record on that subject very quickly. If the hon. member and his colleagues are urging that there is some role which the Chair ought to play in respect of the answering of questions or in inferring or imposing any obligation upon the government to make responses, that is a very new departure from my understanding of the practices of this House. If it is to be advanced as a theory I would be very pleased to hear it.

It is my very clear understanding, and I hope it is the clear understanding of the House, that the obligation upon the government to make answer to any question is not in any way a procedural obligation. It may be a moral obligation, or it may be a political obligation, but it is not a procedural obligation which the Chair can enforce in any way, shape or form.

Before that obligation may be assumed by the Chair in any respect such would have to be argued, and it would be a considerable departure from the practices both in the time that I have been in the chair and the time that the hon. member's colleague to whom he just referred was in the chair.

Mr. McKenzie: Thank you for your explanation, Mr. Speaker. But who can we turn to? It is absolutely ridiculous that starred questions have been on the order paper since 1977. This is a question about whether members of the government are allowed to use MOT telex to send out political messages. It does not cost any money to get that answer. This is a deliberate stall on the part of the government. The only reason they are refusing to answer the question is that the answer might embarrass some of their members going into a federal election.

We have to turn to somebody, Mr. Speaker, about a flagrant breaking of the rules like this. It is absolute nonsense

that questions dating back to 1977 should still be on the order paper. I should like somebody to instruct the parliamentary secretary to give some kind of explanation why they are refusing to answer question No. 179.

Mr. Lang: On that point of order, Mr. Speaker—

Mr. Speaker: Order, please. The hon. member for Winnipeg South Centre (Mr. McKenzie) has just raised a point of order. He is able to rise in his place every day, according to our procedures, and make the kind of accusations that he has just made. Each day the questions are called and each day the question is put whether the remaining questions shall be allowed to stand. At that time any members who have any grievances about the way they have been treated in respect of questions are able to say so.

There has never been any authority in the Chair to compel answers to questions, either written or oral. There is no adjudication that I know of that could be made, for example, on whether an answer had in fact been made, if that power or authority did exist in the Chair. So there is a sanction upon the process of answering questions. It is a political sanction and the criticism that the hon. member now raises is one that has to be answered in the public domain, but there is no procedural authority in the Chair to compel answers to questions.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, in relation to the point raised by the hon. member for Winnipeg South Centre (Mr. McKenzie), I had thought that he would have withdrawn his question because some time ago in this House he expressed impatience that it had not been answered. He said that because it had not been answered he would refer the matter and the question to the RCMP, and had done so.

● (1520)

Later in this House I asked the Solicitor General (Mr. Blais) whether there had been a report. The Solicitor General reported that the RCMP had investigated the matter and there was nothing to it at all. He had his answer. If he still wants his original question to be answered, I suppose I can oblige him, but surely he has already used another procedure, followed another route. He has had his answer yet he persists.

Mr. Dean Whiteway (Selkirk): Mr. Speaker, I would like to draw the attention of the parliamentary secretary to questions Nos. 580 and 581 standing in my name. I submitted those questions on November 16. Over a month ago the hon. member for Lincoln (Mr. Andres), in answer to a similar complaint of mine, said I would have an answer soon. These are questions which are important to all Canadians. They are in regard to the government's propaganda wing, namely the Canadian Unity Information Office, and have to do with the cost to the Canadian taxpayers.

The Prime Minister (Mr. Trudeau) is in his place, and this is of some interest to him. I think that Canadians have the right to know the cost and the other information I am seeking in these questions. I say to the parliamentary secretary that I hope before this parliament is dissolved the government will see fit to answer questions Nos. 580 and 581.

Mr. McKenzie: Mr. Speaker, I rise on this point again. The Minister of Transport (Mr. Lang) stated that I posed a question to the Solicitor General (Mr. Blais) about question No. 179 concerning the hon. member for Assiniboia (Mr. Goodale) using the DOT telex. I never posed any questions to the Solicitor General at all. I asked the RCMP to investigate whether there were any infractions under the Criminal Code. They told me there was none. That in no way answers my question whether the hon. member for Assiniboia has the authority to use the DOT telex or whether government members have the privilege to use the DOT telex to send out political messages. The Minister of Transport is confused. I posed no questions at all to the Solicitor General.

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, a few moments ago you said that we could bring up this issue of unanswered questions on moral or political grounds. I do not think that the government has failed to answer my questions for those reasons; I think it is more incompetence than anything else.

I have had some 16 questions on the order paper since November 1 starting at No. 446 through and including No. 463. These questions have to do with the amount of money paid in the constituency as legal fees by the government. I point out that I asked a similar question in 1973. At that time I needed to ask only one question, namely how much had the government paid in legal fees in my constituency. The parliamentary secretary of the day listed all the departments, and about two months later I received a complete and full answer. I believe I asked the same question in 1975. At that time the government decided that I would have to define each and every department and Crown corporation that I wanted to know about. I did so and I received a complete answer to every one.

I raised the same type of question on November 1 last year. I have received about half a dozen answers, five of them nil returns. I received one from CMHC explaining legal fees they have paid to various people, but it was not stated how much. I am curious about the incapacity of the government to answer that type of question. The government was formerly able to answer such questions without any problem. It seems its competence is sagging. Could the parliamentary secretary restore some image of competence to the other side?

Mr. Tom Cossitt (Leeds): Mr. Speaker, I join those who seem to be voices crying in the wilderness on this side of the House when it comes to asking why questions have not been answered. The first six pages on the order paper contain questions of mine which have been outstanding in some cases for up to two and three years. When I raised this point earlier the parliamentary secretary told me the reason is that it takes time to compile information, etc.

However, may I very quickly draw attention to three or four of these questions to show they are not ones it would take a lot

of time to answer. Questions Nos. 7 and 8 concern a letter marked confidential sent by the Minister of Transport (Mr. Lang) to all Liberal members of parliament telling them how to explain to the public why he and other members of the cabinet were using government aircraft at public expense. I asked why that letter was not sent to other members of parliament as well.

In another question I asked how many members of the Canadian Transport Commission and their wives had passes on Air Canada. I would not think it would take two to three years to tell us how many there were and who they were.

In question No. 9 I asked about the fingerprinting of public servants. I asked why this practice was going on, how many people had been fingerprinted and so on. I would not think it would take between two and three years to answer that question.

In question No. 10 in regard to Goldfarb and Associates of the city of Toronto, pollsters for the government and the Liberal party, I asked how much business they had received from the government over a certain period of time. Surely it does not take a year to two to get this information.

Finally I mention question No. 5 concerning the Prime Minister's office. In this question I asked about the $86,000 spent on purchases for his office. I asked for a breakdown of the items he purchased. It has been two and a half years since I asked that question. The Prime Minister (Mr. Trudeau) is in the House as I raise this point of order. I challenge him to tell us why he will not let the Canadian people know upon what it was in the way of $86,000 of public funds that he spent furnishing his office. If the Prime Minister cannot comply, has the parliamentary secretary got the intestinal fortitude to do it for him? Surely the Prime Minister, on the verge of an election, owes the Canadian people some kind of an explanation. He should not be hiding the truth on all these questions from the Canadian people in the hope they will not realize that we have the worst government in the history of this country.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, with respect to the matter raised by the hon. member for Leeds (Mr. Cossitt), the question has been answered. It has been answered repeatedly in general terms to the effect that information as to spending under my department, the Privy Council office, on furnishings in my office, and for that matter in my house, which come under the Department of Public Works, is available to the public. Expenditures are tabled and they are known. The hon. member has just quoted a figure. Officials of my department come before the parliamentary committee on estimates any time they are asked and they answer all and every question put to them. The hon. member is obviously trying to get the floor once again on this spurious point.

Mr. Speaker: The hon. member for Dartmouth-Halifax East (Mr. Forrestall).

Mr. Cossitt: A question of privilege, Mr. Speaker.

[Mr. Cossitt.]

Mr. Speaker: The hon. member for Leeds on a question of privilege.

Mr. Cossitt: Mr. Speaker, I simply wish to say that the Prime Minister has completely misquoted what I said. I think it is my duty, under a question of privilege, to point out to him that question No. 5 has not been answered, regardless of what he says. I challenge him again—

Mr. Speaker: Order, please. Surely the hon. member is using a question of privilege simply to disagree. That is not within the ambit of a question of privilege.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I rise on this question of the failure on the part of the government to answer questions properly placed on the order paper. It would seem that courtesy at least would suggest that if the question is improper or causes too great an expenditure for the government in gathering information, a brief private conversation or a note sent across the floor of the House indicating the trouble the government is having might in many instances avoid complaints from members from time to time about failure to answer these questions.

Like other members, I too have questions that have been on the order paper for two or three sessions. Indeed, I have one that has been on the order paper for about five or six years. I hope it will be answered shortly.

My questions are relatively simple. They involve the financial relationship between Canadian National Railways and Cast steamships. I asked how much money was being earned. One cannot get this information from the corporate balance sheet of the Canadian National Railways, nor can we get it from Cast. I asked questions about MAGI, the Metropolitan Area Growth Investments group in Halifax, later known as Mainland Investments, now defunct. The question was put on the order paper three sessions ago. It asked for the names of the board of directors, a relatively simple thing. The question was put on the order paper so that much of the misinformation, rumour and indeed vilification with regard to that organization being spread around eastern Canada could be straightened out. It was put on to serve peace, order and good government. It has not been answered.

• (1530)

It is a disservice when the government does not indicate to the individual member why it will not answer a question. Of course, the government does not have to answer; I am aware of that. In my case I have questions Nos. 151, 169, 170, 171 and 173. I will not go beyond October of last year. Any one of those questions could be answered, not at a cost of $3,000 or $4,000 as is sometimes suggested, but with five or ten minutes of political or moral will to do so.

I ask the parliamentary secretary to take a particular look at that. If there is a reason why the government does not want to or is not in a position to answer, it should at least have the courtesy to send a note so that a member might rise in his place and ask for unanimous consent to withdraw the question.

I am quite prepared to withdraw one or two of these questions. I just do not understand why they have not been answered.

[*Translation*]

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): Mr. Speaker, two issues are involved, a matter of procedure and a question of fact. Concerning the question of procedure, I would like to draw your attention once again to the wording in the second part of Standing Order 39(1) which states:

—but in putting any such question—

—that is a question on the order paper—

—or in replying to the same no argument or opinion is to be offered, nor any facts stated, except so far as may be necessary to explain the same; and in answering any such question the matter to which the same refers shall not be debated.

Therefore, Mr. Speaker, the Standing Orders allow hon. members to place questions which are not urgent on the order paper and it is forbidden to comment on them except as far as providing explanations required to understand them. We have witnessed in the House recently an obvious violation of Standing Order 39, which forbids us to make petty politics about non-urgent questions, since certain members who have complained that their questions have not yet been answered have taken this opportunity to try to score political points, suggest all sorts of inaccuracies and make insinuations which are eventually denied in most cases, two, three, four or five days later, and we never hear about the replies given to the questions about which someone had previously complained by rising on a point of order.

Mr. Speaker, our Standing Orders provide for a written order paper, and not an oral one like that which we have been given today and in the last few weeks. As for the facts, Mr. Speaker, I would like to remind hon. members about something which is quite simple and easy to understand. In the last few years, it has become the practice to ask about 2,000 questions during a session.

It is nearly impossible to provide complete answers to each of these 2,000 questions during one session. In practice, we can reply to about 40 per cent of questions placed on the order paper during one session, and during the summer recess, we succeed in replying to 45 to 50 per cent more questions, which means that on the average, 90 per cent of all questions are answered during the session. This is based on the record of the three previous sessions, and especially of the last two sessions when I was myself parliamentary secretary. In view of these circumstances, I say that it is unfair for opposition members, and especially members of the Progressive Conservative party, to suggest to the public—and certain reporters seem to rise to the bait—that we have things to hide on this side of the House.

Mr. Speaker, it is mere coincidence that yesterday I approved an answer to a question put by the hon. member for Moncton (Mr. Jones), and which was supplied today. In a press article that appeared yesterday, Charles Lynch stated that question would never be answered. The question itself was erroneous in asking the rationale behind the Government of Canada's invitation to the "President of France", Mr. Barre. Everybody knows Mr. Barre is the French Prime Minister. Not only did we not hesitate to supply an answer to the hon. member, even though certain quarters believed we would never do so, but we even had to correct the questions on occasions.

So our record speaks for itself. Over the last sessions, of 2,000 average questions on the order paper, 90 per cent were answered, and if the hon. member for Leeds (Mr. Cossitt) was more sensible and more serious in his questions, if instead of monopolizing two or three pages of the order paper, as he mentioned today, he limited himself to less stupid questions, and I see Mr. Speaker you are losing patience, which is normal after the number of interjections from the other side, but I know you will give me just the same an opportunity to conclude my point. If the hon. member were more sensible in the number and validity of his questions, his colleagues probably would not have to complain that we do not have the time to accumulate all the information needed to give them complete questions. The abuse is on the other side, because there are indeed irresponsible people there putting questions that are costing taxpayers a fortune, since we have to answer questions as they come in a proportion of 40 per cent during the course of a session.

If you allow me, Mr. Speaker, I would like in conclusion to call your attention to the practical fact that as of March 21, as of today, of the 1,331 questions that appeared on the order paper during this session, 42.2 per cent have already been answered. This is more than the average of earlier sessions, because the average is 2,000 questions per session and to date there have been 1,331.

Mr. Speaker, the facts speak for themselves. The interventions of opposition members truly represent an abuse of our Standing Order 39 and they are denied by the facts. I respectfully submit that Your Honour should put an end to this abusive practice of suggesting falsehoods while we on this side of the House are making every effort possible to do some research, obtain all necessary information and give opposition members the most complete answers possible as quickly as possible. In conclusion, it should be clear, Mr. Speaker, that we on this side of the House have nothing to hide and that we do all we can to provide complete answers as quickly as possible. It has been our policy in the last years and it still is, Mr. Speaker.

[*English*]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my name was mentioned a few moments ago. I made a statement the other day. I stand by my statement. At the time I was Speaker, there was an unlimited question period. The hon. member who just sat down should be made aware of what this House did at that time. Question period was unlimited. It ran

to one and three quarter hours to two hours on occasion. I simply asked at that time and indeed directed that hon. members seeking information put questions on the order paper. Prior to that time it was extraordinary if more than 200 or 300 questions were put on the order paper per session.

The hon. member can say anything he wants, but in 1962 a small number of Liberals on this side and others in the opposition in a matter of five months compiled 1,500 questions for the order paper. The parliamentary secretary can state his statistics now. We say, so what? It happened a long time ago and it was even greater in those days. Let him not complain and let him not laud his assiduity in trying to reply to questions.

Members were asked to put questions on the order paper so that we could get on with the question period. I also hoped that government ministers would answer those questions so that they would not become a device for hiding questions and answers. That was the purpose and it was clearly understood. If a question went on to the order paper, a prompt answer was expected and it was received.

Mr. Speaker: I will be quite happy to go back to a situation where we have an open-ended question period and only 300 questions on the order paper, and I will guarantee that they all get answered.

Mr. Knowles (Winnipeg North Centre): Careful!

• (1540)

Mr. Arnold Malone (Battle River): Mr. Speaker, I certainly do not intend to spend a long time on what has already gone on too long.

Some hon. Members: Hear, hear!

Mr. Malone: But I do want to say this. In his response a few moments ago the parliamentary secretary said that some of the questions put down by the hon. member for Leeds (Mr. Cossitt) were stupid—

Some hon. Members: Hear, hear!

Mr. Malone: —and that others were unreasonable. I am sure that at one time or another all members believe that some questions are unreasonable or stupid, just as they believe some answers are unreasonable or stupid. But that is not the issue. The issue is this: does any one member of the House have the prerogative of making such judgments and of saying, on the basis of intuition, that some questions are unreasonable and stupid?

I would therefore like to move that the judgment he made be referred to the Standing Committee on Privileges and Elections for determination as to whether the parliamentary secretary has the sole privilege of determining on that basis whether questions should be answered.

Mr. Speaker: The question before the House is whether the remaining questions on the order paper should be allowed to stand. Shall the remaining questions be allowed to stand?

[Mr. Lambert (Edmonton West).]

Some hon. Members: Agreed.

Mr. Cossitt: On the question of privilege raised by the hon. member for Battle River (Mr. Malone) a moment ago, the parliamentary secretary, referring to certain questions I had asked, made what from his point of view was a value judgment that my questions were stupid and unreasonable. I feel it is an infringement on the privileges of members of this House that one man sitting over there should have the right to say who he thinks is stupid over here and who he thinks is unreasonable, and edit the answers to questions accordingly. If that is what the government is doing in dealing with these questions, I think it is a shocking admission and a breach of privilege.

In answer to one specific question, the Prime Minister (Mr. Trudeau) intentionally misled the House a few moments ago; he said a question had been answered, when he knows it has not.

Mr. Speaker: I think the hon. member for Leeds would prefer that I did not hear the last remark he made. If I did, as he knows, I will have to ask him to withdraw it.

Then I have to say we cannot allow our proceedings to continue with that remark on the record. The allegation that a member has intentionally misled the House is unparliamentary and I must ask the hon. member for Leeds to withdraw that statement.

Mr. Cossitt: I would certainly be prepared to withdraw it provided the Prime Minister is prepared to say it was unintentional. Otherwise, I cannot withdraw it.

Mr. Speaker: Order. The hon. member has made a statement which is clearly unparliamentary. Such a statement is clearly unparliamentary according to precedent. The statement to which I refer is the statement by the hon. member for Leeds that the Prime Minister intentionally misled the House. Now, the House cannot continue with that statement on the record. The hon. member has to withdraw it.

An hon. Member: Withdraw or get out!

Mr. Speaker: Order, please. Once again, before invoking a practice which I would follow only with deep regret, I have to tell the hon. member for Leeds for the third time that he has introduced into the record an expression which is clearly and unequivocally unparliamentary. The allegation by one member against another that he intentionally misled the House is clearly unparliamentary. The House cannot proceed in the face of that kind of disorder and I have to ask the hon. member for Leeds to respect the practices of the House and withdraw that expression.

Mr. Cossitt: I regret very much that I believe what I said and I cannot speak any untruth.

Some hon. Members: Shame!

Mr. Speaker: With the greatest regret, therefore, I have to name Mr. Cossitt for his disregard of the directives and the authority of the Chair.

Mr. MacEachen: Mr. Speaker, I understand the obligation which normally rests upon the leader of the House when an event of this kind occurs, that is, to move a motion to have the hon. member for Leeds (Mr. Cossitt) suspended from the service of the House.

In this particular case, because we are under a time limit for the debate on Bill C-42, I propose to defer moving a motion until the debate has been concluded; I will possibly move it tomorrow if, in the meantime, the hon. member for Leeds does not reconcile himself to the requirements of the rules.

I want to make it perfectly clear that in the circumstances it would be most unfair, for example, to the hon. member for Roberval (Mr. Gauthier), who is prepared to speak, if we were now to embark upon a motion—the bells could ring all afternoon—which would effectively close off the time remaining in this limited debate. Thus I intend to let the matter rest with the assurance that if in the meantime there are no further developments I will certainly support Your Honour's decision by making a motion at the appropriate time.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): Mr. Speaker, in my view, the position is clear. If the government House leader feels it is his duty in the circumstances to move a motion, the matter cannot by its nature be allowed to rest. I am concerned that what we have here is only a subterfuge whereby members opposite are prepared to allow the Chair, in their judgment, to suffer under a disability for 24 hours. This matter is debatable. It is important. I think Your Honour will find in the book you are researching now that action must be taken immediately. The government House leader has a responsibility to take action at once. The motion is put and the government House leader has to specify an appropriate length of time in accordance with his judgment. Then the House has an opportunity to debate the issue. We can comment on the length of time.

It is not proper for this matter to be allowed to rest. After all, it is not simply a question of the convenience of the House leader; it affects the House of Commons as a whole. My hon. friend has the right to have this matter adjudicated with respect to his conduct and I do not feel it is proper for any reason or in any circumstances that the issue be allowed to lie over 24 hours or for any other period of time.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, the few words I wish to utter are along the lines of those just spoken by the hon. member for Grenville-Carleton (Mr. Baker), except that there is another thought to which I should like to give expression.

First, I would point out that you yourself, speaking from the chair, said the House cannot continue until this matter had been resolved. I believe that is a position from which Your Honour cannot retreat. What happens when a member refuses to obey the Chair is that parliament is brought to a standstill, and I do not see how we can let the matter lie over until tomorrow. Someone has borrowed my fifth edition of Beauchesne. I prefer to quote from it in tribute to those who produced it, but I still have at my desk the fourth edition. On page 118 the words are quite clear:

● (1550)

In case the offending member does not explain and persists in remaining in the House, a motion shall forthwith be made, preferably by the leader of the House, "that Mr. . . . member for . . . be suspended for . . . days from the service of the House."

The key word is "forthwith" and it seems to me, therefore, that regardless of all the good reasons the Deputy Prime Minister (Mr. MacEachen) may have for suggesting that the matter lie over until tomorrow, that is not possible.

The other thought I should like to express I address directly to the hon. member for Leeds (Mr. Cossitt). He can believe anything he wants. He can continue to think anything he wants. But as a member of the House of Commons I suggest that he has a duty to this House to see to it that it operates according to its rules and procedures.

I appeal to the hon. member, as a member of the opposition and as one who, like him, is often offended by what we get from the other side of the House, to respect the request that I now make to him, and which Your Honour had to make under the rules, to offer, even now, to withdraw the offending words. He can think anything he wants, but in terms of the record as an older member of this House I make my appeal to him that he respect its procedures.

Mr. Speaker: I think the situation has been well summarized. The use of the words in an allegation by one member that another member of the House—any member of the House—had deliberately misled the House is clearly unparliamentary and clearly out of order. Even if there were any doubt about that—and there certainly is not in my mind—there cannot be any doubt about the request of the presiding officer, the Speaker, at any time to require the withdrawal of an unparliamentary expression once the Speaker has so found. At that point if there was any doubt about there being disorder in the use of the expression itself, there certainly can no longer be any doubt about disorder existing when any member of the House refuses to obey the clear directive of the Chair.

It seems to me that on two counts we have severe disorder in the House, and the matter has to be resolved. It has to be dealt with now, and I do not think there is any basis upon which we can do it as a matter of convenience. I respect as well what the Deputy Prime Minister (Mr. MacEachen) is saying to the House, that it is not by directive of the Chair that he act. He acts at all times and in all circumstances, as any member of the House of Commons, upon his own initiative, and in expressing his position to the House he was making a declaration of his intentions.

However, whatever is to be the resolution of this—perhaps the hon. member for Leeds (Mr. Cossitt), in response to the intervention by the hon. member for Winnipeg North Centre (Mr. Knowles), will make his case crystal clear—it is not a question of the Chair controlling what a member feels or thinks. It is only the manner in which he expresses it which has to be observed in order to safeguard the proprieties of the

House, and that must be done at all times. Therefore, it is only the manner of the expression that the hon. member for Leeds is asked to withdraw; but in the face of his refusal to do that, I think we have to clear the matter up in whatever way it is going to be cleared up, and it has to be done now.

Mr. MacEachen: Mr. Speaker, I took the course I took for the reasons I mentioned, one being that we are under a very restricted time limit on this particular bill and, second, that possibly a cooling off period should be permitted so that the hon. member for Leeds could reconsider his position and remove from me and other members of the House the duty of taking on what at best is a very unpleasant responsibility, namely, putting a motion to have an hon. member suspended from the service of the House. I should add that, as you have underlined, Mr. Speaker, the decision whether a motion be put is that of the leader of the House in these particular circumstances. I recollect that on one occasion the Speaker of the House did name an hon. member, and no motion was forthcoming from any member asking that the offending member be suspended from the service of the House. That is my recollection.

Mr. Diefenbaker: When was that?

Mr. MacEachen: I cannot give the right hon. member the precise date, but I will do some research and assist him later.

The action I am asked to take on this occasion stems from the respect which must be shown to the presiding officer of the House if our business is to be conducted with decorum and, particularly, with the respect of the Canadian people. Today, probably for the first time in the history of this parliament, the Canadian people are witnessing the presiding officer asking an hon. member to withdraw an offensive expression, and it seems to me that it is very important that the Canadian people—

Mr. Knowles (Winnipeg North Centre): It has happened before.

Mr. MacEachen: Not on television. I am saying that this is the first time the Canadian people will have an opportunity to witness what occurs in the House of Commons when the Speaker requests an hon. member to withdraw an offensive remark.

Mr. Lang: And he refuses.

Mr. MacEachen: The hon. member has refused.

Mr. Cossitt: Why is the truth offensive?

Mr. MacEachen: Three times Your Honour has asked the hon. member to withdraw. We all know that the remarks he has made are offensive. They are unparliamentary, and they cannot be accepted by anyone who respects the rules and procedures of this House. It is no wonder that the hon. member for Winnipeg North Centre, with his experience and his respect for parliament, has asked the hon. member for Leeds to withdraw and to save us from this difficulty. It is no wonder that I have delayed putting a motion to save the House from this difficulty, and I can only deplore the fact that when he rose to speak the hon. member for Grenville-Carleton (Mr. Baker) did not join both of us in asking the hon. member for Leeds to withdraw.

I therefore move:

That Mr. Cossitt, the member for Leeds, be suspended from the service of the House for the remainder of today's sitting.

Mr. Baker (Grenville-Carleton): Mr. Speaker—

An hon. Member: The motion is not debatable.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on a point of order. I understand that the motion is not debatable, but it is interesting that the Deputy Prime Minister (Mr. MacEachen) was allowed to debate the motion.

Mr. MacEachen: The motion was not put then.

Mr. Baker (Grenville-Carleton): By reversing the procedure it is very interesting that the Deputy Prime Minister was allowed to debate the motion, but that the House is not.

Mr. MacEachen: You spoke.

Mr. Baker (Grenville-Carleton): I hope that when the Canadian people view this they see the unfairness of the position with respect to the debate of this motion.

Mr. Speaker: Order, please. The question has been put. It is not debatable. Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: Call in the members.

The House divided on the motion (Mr. MacEachen), which was agreed to on the following division:

● (1600)

(*Division No. 40*)

YEAS

Messrs.

Abbott
Allmand
Anderson
Andres (Lincoln)
Appolloni (Mrs.)
Baker (Gander-Twillingate)
Beaudoin
Béchard
Blais
Blouin
Boulanger
Breau
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Caron
Clermont
Collenette
Comtois
Corbin
Corriveau
Côté
Cullen
Cyr
Daudlin
De Bané
Demers
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Duclos
Dupont
Dupras
Duquet
Ethier
Fleming
Flynn
Foster
Francis
Gauthier (Roberval)
Gauthier (Ottawa-Vanier)
Gendron
Gillespie
Gray
Guay
Guilbault
Harquail
Hogan
Holt (Mrs.)
Hopkins
Isabelle
Janelle
Johnston (Westmount)
Kaplan
Knowles (Winnipeg North Centre)
Lachance
Landers
Lang
Langlois
Lapointe
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lee
Lefebvre
Lessard
Loiselle (Saint-Henri)
Lumley
MacEachen
MacFarlane
MacGuigan
Maine
Marceau
Marchand
Martin
McIsaac
McRae
Milne
Nicholson (Miss)
Nystrom
O'Connell
Orlikow
Ostiguy
Ouellet
Parent
Pearsall
Penner
Philbrook
Pinard
Portelance
Prud'homme
Railton
Raines
Rooney
Roy (Laval)
Sauvé (Mrs.)
Savard
Smith (Saint-Jean)
Stollery
Symes
Tessier
Trudeau
Trudel
Turner
Watson
Whelan
Wood
Yanakis
Young—110.

NAYS

Messrs.

Alexander
Alkenbrack
Andre (Calgary Centre)
Baker (Grenville-Carleton)
Bawden
Beatty
Brisco
Cadieu
Clarke (Vancouver Quadra)
Coates
Corbett
Crosby (Halifax-East Hants)
Darling
de Cotret
Diefenbaker
Dinsdale
Ellis
Elzinga
Epp
Forrestall
Gillies
Grafftey
Halliday
Hare
Hargrave
Hnatyshyn
Howie
Huntington
Jarvis
Jelinek
Jones
Kempling
Knowles (Norfolk-Haldimand)
Lambert (Edmonton West)
La Salle
Lawrence
MacDonald (Miss) (Kingston and the Islands)
MacKay
Malone
Masniuk
Mazankowski
McCain
McGrath
McKenzie
McKinley
McKinnon
Mitges
Munro (Esquimalt-Saanich)
Murta
Neil
Nielsen
Nowlan
Paproski
Parker
Patterson
Pigott (Mrs.)
Ritchie
Roche
Rynard
Schellenberger
Schumacher
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shymko
Siddon
Skoreyko
Stewart (Marquette)
Stewart (Cochrane)
Towers
Whiteway
Wise
Woolliams
Yewchuk—73.

● (1630)

Mr. Speaker: I declare the motion carried.

Motion agreed to.

Motions for Papers

Mr. Speaker: I have to direct the hon. member for Leeds (Mr. Cossitt) to withdraw in compliance with the order which the House has just made.

[*Editor's Note: The hon. member for Leeds (Mr. Cossitt) withdrew from the chamber.*]

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): Mr. Speaker, notice of motion for the production of papers No. 32 is acceptable to the government.

[*Text*]

CROWN CORPORATIONS

Motion No. 32—**Mr. Whittaker:**

That an Order of the House do issue for a copy of transcripts indicating the number, assets and names of all Crown corporations.

Motion agreed to.

[*English*]

Mr. Pinard: Would you be so kind as to call notice of motion for the production of papers No. 1.

[*Text*]

URANIUM REFINERY IN SASKATCHEWAN

Motion No. 1—**Mr. Hnatyshyn:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all documents relating to the establishment of a uranium refinery near Warman, Saskatchewan, or elsewhere in the Province of Saskatchewan, by Eldorado Nuclear Limited, and copies of an agreement between the government and the Province of Saskatchewan or their respective agencies.

[*Translation*]

Mr. Pierre Bussières (Parliamentary Secretary to Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Mr. Speaker, Eldorado Nuclear Limited has stated that the documents concerning the establishment of a uranium refinery in Saskatchewan deal with the purchase of the Warman site and with environmental studies now under way. The terms of the agreements concerning the land purchase are privileged for business reasons. Under the circumstances, I would ask the hon. member to withdraw his motion.

[*English*]

Mr. Hnatyshyn: This is a most outrageous answer, Mr. Speaker, and I would ask that this motion be transferred for debate.

Mr. Speaker: Transferred for debate.

Shall the remaining notices of motions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

ENERGY SUPPLIES EMERGENCY ACT, 1979

MEASURE TO CONSERVE STOCKS

The House resumed from Tuesday, March 20, consideration of the motion of Mr. Gillespie that Bill C-42, to provide a means to conserve the supplies of energy within Canada during periods of national emergency caused by shortages or markets disturbances affecting the national security and welfare and the economic stability of Canada, be read the third time and do pass.

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, in light of what has just happened, I will cut my intervention short so that other hon. members may also speak before six o'clock.

In my intervention last night at ten o'clock, when the debate was adjourned, I was wondering how I could explain that while we did not have any surplus for export before Febuary 28 last, we ended up overnight with an exportable surplus. It is quite simple, Mr. Speaker. The board changed its formula to determine whether there was a gas surplus. Before declaring a surplus for export, three different tests must be met. First, current supply possibilities; second, current reserves; and third, future supply possibilities.

By changing the formula for the second test the minister did a magic trick. In fact, the old formula was this: there is surplus of gas for export if proven reserves are equal to 25 times the projected Canadian demand four years hence. The new formula provides that proven reserves must be equal to 25 times the current demand instead of the one projected in four years. The anticipated requirement in four years from now is greater that current demand since it normally grows 3 per cent a year, and the difference between the two results is the new surplus. So it is by being less exacting that the board has declared a new surplus.

By juggling with the figures and doing a magic trick, he ended up with a surplus. This surplus, let's face it, is more on paper than in the Canadian soil. Why then talk about a fictitious surplus? I want to come immediately to the crisis in Iran and the Exxon case. In 1974, when the Arab oil producer countries imposed an embargo, the Canadian government adopted Bill C-236 on allocation of energetic resources in a crisis situation.

[Mr. Hnatyshyn.]

• (1640)

Six years later, Canada is forced to pass another emergency bill, in this case Bill C-42, to cope with another similar crisis. This section will deal with the circumstances that led the government to introduce Bill C-42 and its subsequent amendments, its impact on Canadian corporations as well as its general ramifications. We want to emphasize that if Canadians are forced to accept this bill, that is mainly because of the incompetence of this government. It did not have enough presence of mind to plan and develop a long-term energy policy following the 1974 crisis. So they did not learn from 1974.

Two incidents particularly in recent months prompted the federal government to introduce Bill C-42. First, the internal crisis in Iran which temporarily stopped the oil exports of that country. For Canada, that meant the loss of 100,000 barrels a day, or 20 per cent of our oil imports. That loss was nevertheless made up from our reserves and additional oil purchases from other suppliers. But the crisis was not over by a long shot. Second, the multinational company Exxon decided unilaterally to divert to the United States 25,000 barrels of oil a day from Venezuela earmarked for its Canadian subsidiary Imperial. Under the pressure of the federal government, Exxon was to come back in part on its decision and divert only 10,000 barrels a day instead of 25,000. But the Minister of Energy, Mines and Resources (Mr. Gillespie) was far from satisfied with such a concession by that multinational.

So the state of crisis had materialized. On February 19, the government introduced Bill C-42 in the House of Commons. On March 13, it went even further with a series of amendments to that bill, and the day after, that is on March 14, the Minister of Energy, Mines and Resources ordered the Crown corporation Petro-Canada to undertake direct negotiations with Venezuela for the purchase of oil, thus shoving aside the intermediary company Exxon. We are wondering at this time whether it was not a well orchestrated scheme by this government to strengthen its control over provincial natural resources. And all that in a state of emergency that is too often induced.

Let us say that by and large this bill gives the governor in council the authority to declare a national emergency in case of an acute shortage of oil supplies. The government could then allocate available reserves on a priority basis and even, if necessary, issue rationing coupons.

The crisis Canadians are facing is more a question of management than supplies. Indeed, the government had six years to cope with another eventual crisis to make Canada more self-sufficient in energy, but it chose not to deal seriously with the problem, although the Minister of Energy, Mines and Resources says the contrary in a press release dated February 15 last.

Mr. Speaker, what could the government have done during those six years if it had shouldered its responsibilities? First it could have invested in research. The energy reserves available to us require a high degree of technical know-how to develop. That is the case, for example, of the oil sands. The government did very little to help research in general, and in this area in particular. The last budget speech made by the Minister of Finance (Mr. Chrétien) clearly showed this. Second, extend the gas pipeline into eastern Canada. The National Energy Board, in their February report, stated that our oil dependency can be reduced. They indicated that national gas sales to the potential eastern Canada market could, and I quote:

—reach 180 billion cubic feet in 1990 and 225 billion in the year 2000. In this way oil imports could be reduced 20 per cent by slashing foreign purchases by 80,000 barrels a day in 1990 and 110,000 barrels in the year 2000.

We are waiting for the pipeline extension, first to develop a long-term energy policy. Canada has an urgent need for a well co-ordinated policy in energy matters. We must seriously consider possible alternatives for renewable energy sources, for instance, solar energy, wind energy and so forth. We must know where we are going.

But during those six years, the government procrastinated. They preferred the old Liberal way out, taking on more powers supposedly to meet an emergency situation created by the government themselves in order to get a strong central government. So we are now asked to give the federal government legislative powers to order and control the allocation of foreign energy supplies we still depend on by reason of this government's inaction. Are those dictatorial powers needed? A recent editorial in the *Globe and Mail* concluded this was not needed at all, and this raises serious doubts. Why, therefore, give extra powers to build a pipeline we already need now anyway? Why wait for an emergency?

At the latest federal-provincial conference on the constitution, the premiers discussed at length the scope of the phrase "overriding national interest" in the context of national resources. They could not reach agreement on its meaning. The legislation now before us uses a similar term that is just as much controversial. It is the expression "periods of national emergency". The definition given in the legislation is not precise and is rather vague. It would be quite easy for the government to declare a national emergency when it suited it. The government is a specialist in national emergency matters! One has only to remember the declaration on war measures. We must not forget that we are legislating on delicate ground, Mr. Speaker, since natural resources fall within provincial jurisdiction. If the government cries national emergency too often, it could find itself stuck with serious jurisdictional problems vis-à-vis the provinces which themselves are also jealous of their jurisdiction over natural resources. Mr. Speaker, those are the brief remarks I had to make.

Energy Supplies

[*English*]

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, Canada, along with the rest of the world, is in the midst of an energy revolution, a revolution not of our making but one in which we are very deeply involved nonetheless. Energy, especially petroleum, is the life blood of the industrial economy. When we have seen, as we have in the past five and a half years, an increase in the price of petroleum on the world markets of 700 per cent, we know that that massive increase can only affect our lives very deeply.

Petroleum and its products affect us in every way, from consumer goods to industrial production, to the heating of our homes, to clothing ourselves and to our leisure. This type of massive increase is one which has shaken the world, particularly the industrialized world but not forgetting the third world which in a sense has been crippled even worse than we have. It called for new and innovative actions by every society. We in Canada were not completely unprepared for that OPEC crisis, that increase of 400 per cent in a few months and, as I said, 700 per cent over five and some years.

● (1650)

This government, the previous government, the Diefenbaker government and the St. Laurent government had all taken some measures in the energy field. The Tories are proud to refer to the Borden line. Indeed, it was an important decision in 1959 when that line was established. We think it was an important decision.

Some hon. Members: Hear, hear!

Mr. Trudeau: I remind the Tories who say "hear, hear" that it was also a decision by the Diefenbaker government which prevented the line from going eastward from Sarnia to Montreal. There may have been reasons for that at the time. I find it a bit strange when the Tory leader earlier this month was reproaching this government for not having built the Sarnia line sooner when he knows it was his predecessor, the right hon. member for Prince Albert (Mr. Diefenbaker), who adopted the minority report of the Borden commission which, I repeat, prevented the line from going farther east.

They did, however, have this policy. It was undoubtedly important to the growth of resources in Alberta. It meant moving oil into the protected market of Ontario It is worth remembering that the oil could move because of previous Liberal policies which had built the pipeline and which in the late forties and fifties had passed legislation and adopted policies resulting in the TransCanada and Interprovincial pipelines without which the Borden policy would not have been possible, if we would not have had the pipeline to move oil from Alberta to central Canada.

There were all these policies in the past. Mr. Pearson's government created the Ministry of Energy, Mines and Resources to replace the ministry of mines and technical surveys, sensing the importance that energy would have in decades to come. The then minister of energy, mines and resources, Mr. Macdonald, published in the month of June

1973, "An Energy Policy for Canada" which laid the groundwork for many of the steps which were going to be taken later in the more recent paper by the present Minister of Energy, Mines and Resources (Mr. Gillespie) published in 1976. Those steps permitted this government within the weeks of the OPEC crisis to issue an energy statement which in reality constituted a base, and a very solid one, for the following half-dozen years up to the present time.

Rather than talk about Liberal energy policy and the particular role this bill has in that over-all policy—and I realize that if I talked about it once again there would be the sceptics who would say it was not much of a policy, it was not very good and so on. The most carping and constant criticism we have heard from the Tories, and many of the outside commentators who support them, has been to the effect that we really do not have an energy policy, that Canada was caught short, that it did not have any coherent and logical plan to deal with the energy revolution.

One would think after that constant, carping criticism about having no energy policy that five or six years after the OPEC crisis and some three years after the new leader of the Conservative party was chosen they would come up with one. What happened, Mr. Speaker? We waited and waited and we always got negativisms. In the present debate it is always no; it is filibustering, it is dragging your feet, trying to stall, trying to do nothing. However, at one point the Leader of the Opposition (Mr. Clark) had to come forward with a policy. He had begun to speak about it, you will recall, in his celebrated world tour. He told the Japanese that the Progressive Conservatives would swap oil sales for jobs. He went on to Israel and pledged Israel Canada's surplus oil.

He went to Montreal on March 6. Having promised it to the Japanese and having promised it to the Israelis, he thought he should promise it to the Montreal people as well. All this surplus oil was being distributed by the new discovery of energy by the Leader of the Opposition. It was being pledged in various ways in exchange for various commodities; votes in the case of Montreal, but other commodities in the case of Israel and Japan.

The trouble was that we were exchanging something we did not have. We do not have any surplus. There is no surplus oil in Canada; there is a shortage of oil. Thanks to the policies of this government, dependence on foreign oil has been reduced from some 50 per cent at the beginning of the decade to the remarkably lower figure of 29 per cent this last year. However, we are still dependent on foreign petroleum resources to the tune of 29 per cent of what we consume.

The Leader of the Official Opposition promised this "surplus" energy in various places. I repeat, there is no surplus; there is a great shortage of oil. There still is. What the government is doing to continue to make progress from a dependency of 50 per cent to 29 per cent will continue. However, for the time being we cannot trade that "surplus" for other commodities because it is not there.

Nonetheless the leader of the Tory party, having made these energy statements in Israel, Japan and then Montreal, felt that he would have to explain somewhere where the energy was going to come from. He made a speech in Montreal on March 6 where he said, and I quote:

That policy will have five main elements.

I repeat, Mr. Speaker, after years of saying there was no Liberal energy policy, that the government had no energy policy, at last we were going to have an energy policy that would be coherent, complete and satisfactory and it had five elements. I will read them as they appear in the text of the speech of the Leader of the Opposition which I have before me.

The first element is a program of conservation. Our aim will be an average growth and demand for energy of only 2 per cent per year.

We do not see how he is going to do that. It is worth noting, as indeed the *Financial Times* did, that when you say you are going to implement a policy of 2 per cent growth per year you have to wonder what is going to happen to your economic growth. I quote from the *Financial Times* of March 12:

How, for example, is he going to cut the rate of growth in the demand for energy to 2 per cent a year from the average of 5.3 in the past? Because Mr. Clark has promised—

Mr. Knowles (Winnipeg North Centre): Order.

Mr. Trudeau: I continue quoting:

—Mr. Clark has promised a Progressive Conservative government would achieve average real growth of at least 5 per cent over its initial four-year term of office. This is a reasonable target but a speed-up in the pace of economic growth also means an acceleration in energy demand if the pattern of the past means anything.

● (1700)

So here is the first difficulty with respect to his undertaking to reduce growth in demand to 2 per cent: it does presume we shall be in a very slow growth or no growth economic situation, and I can tell the country and the House that that is not the Liberal position.

Some hon. Members: Hear, hear!

Mr. Trudeau: We do believe there must be a program of conservation, so in this sense the first of the Tory policy elements is only what we have been saying for seven or eight years. There must be a policy of conservation. In fact, the policy put forward by the Minister of Energy, Mines and Resources attached a great deal of importance to that factor in his 1976 statement. And he has been rewarded with success, as we all have; energy demand was growing at a rate of about 6 per cent a year, a rate which has been reduced at the present time to 3.5 per cent.

Some hon. Members: Hear, hear!

Mr. Trudeau: This was achieved in various ways which are well known to the House. We launched a public information program which was one of the most imaginative in the world. We applied tax incentives to energy conservation equipment and sales tax was removed from several items contributing to energy conservation. We established guidelines for the motor vehicle industry, we gave assistance to home owners in install-

ing home insulation, and so on—measures which were not always supported by the opposition.

We developed a new and more efficient energy building code and through intensive consultation with a number of energy task forces we have developed targets. These targets, which were established from 1973 to 1980, have led to a 7 per cent improvement in energy efficiency over the 1973-1977 period, right on schedule for a 12 per cent improvement in energy efficiency by 1980. This is what we have done about energy conservation, not to bring the rate down to 2 per cent immediately, although this might be something to which we can look forward in the medium or longer term future. Right now it is 3½ per cent. Those are the measures we have taken.

Now listen to what the Leader of the Opposition is saying he would do to reduce growth to 2 per cent. I am quoting:

Specifically we would give tax incentives to encourage better home insulation, energy efficiency equipment and other conservation practices.

For ten years, or at least for seven, they have been saying we have no energy policy. At last they come up with one whose first element is an exact copy, except for the 2 per cent, of the Liberal policy. I am still reading from the speech of the Leader of the Opposition.

The second element is to develop Canada's energy sources. Specifically our goal would be develop the tar sands, gradually substitute gas for oil and give much higher priority to renewable energy technologies.

This must be great news to Canadians.

Some hon. Members: Oh, oh!

Mr. Trudeau: Elect the Tories. They will have an energy policy. They will develop Canada's energy sources, support renewable energy technologies. Well, only last July, over and above what the government has been doing in connection with other energy technology—and I am sure some members of this House have visited certain of these projects; I did myself in Prince Edward Island not so long ago, for instance—the minister of energy announced in the House last summer a $380 million policy for the encouragement of renewable energy technologies, particularly solar and biomass. So that is one find of the new Tory theologians. The second is to develop the tar sands—Syncrude, Mr. Speaker. We put $300 million into it several years ago.

Some hon. Members: Hear, hear!

Mr. Trudeau: We did it. Not only that, but we put in place tax incentives which indeed, relative to world prices, have made other tar sands projects possible. The government is projecting possibly one million barrels a day by 1990; the Leader of the Opposition wants to be a bit original so he talks about 900,000 barrels a day by 1990. But how is he going to do it? Would his approach be different from ours?

What have we done? We introduced budgets in 1976, 1977 and 1978, when there were two, which have created the conditions under which these new tar sands projects could go forward. Admittedly some of them are not moving as fast as we would like, but many of them will go forward, at least in the experimental stage, at no cost, or hardly any cost, to the companies themselves. The cost will fall on the Canadian taxpayer. What the companies are waiting for now—and some of the leaders of those companies have talked to me personally—is for Alberta to make up its mind on its tax regime, on its royalties. The companies have got from the federal government as much by way of concessions as they feel is reasonable. Now it is up to Alberta.

Do we hear the Tory leader asking Alberta to stop dragging its feet and finally get moving so that these projects might go forward? No, we don't hear anything from him along those lines. We hear general noises about the goal being to develop the tar sands. So much for the second element, which, as you see, Mr. Speaker, apart from putting a little bit of pressure on the government of Alberta, is exactly the same as our policy.

I am quoting again:

The third element is to begin immediately to expand the Sarnia-Montreal pipeline so that the total oil needs of Montreal area refineries can be met from Canadian crude oil supplies.

Well, here we have it. It was promised in Israel, it was promised in Japan and now it is going to Montreal. The trouble is, we don't have it. The Leader of the Opposition intends to build a pipeline without having the oil to go through it. Who is going to pay for that thing? How do you pay for a pipeline, how do you cover expenses, how do you cover devaluation, if you are not using the line to capacity? Perhaps the Leader of the Opposition does not realize this, but it doesn't only mean expanding the Sarnia-Montreal line; it would also mean expanding the Chicago-Lakehead link and it would imply getting together the resources to put in there. Because, once again, we are dependent on foreign oil to the tune of 29 per cent of our needs.

This raises another problem which I am sure the Leader of the Opposition would like to be informed about. I refer to the question of the Portland-Montreal pipeline.

[*Translation*]

The National Energy Board put it very clearly. If we do not transport enough oil through the Portland-Montreal pipeline, that pipeline will no longer be profitable and become obsolete. The National Energy Board suggested very clearly that it would be dangerous to carry more than the 300,000-odd barrels which now flow daily in the Sarnia-Montreal pipeline. Indeed, if—as I just explained—we do exceed that quantity by a wide margin it would mean that we can rely on a permanent, sufficient oil source which we do not have now in Alberta and it would also indicate that Montreal would not be fed by the Portland pipeline. Then, what would happen? We would then depend, that is Montreal and eastern Canada, on the oil to be discovered and developed out west or perhaps in northern Canada, but at prices, as we know, that are not economical for the time being. But once that pipeline is extended from Sarnia to Montreal, once its volume is increased and more expensive oil starts to flow from the tar sands, there is no doubt that two things will ensue: first, the Montreal pipeline will become obsolete, and second, we will not pay competitive prices. In

other words, we no longer will be able to go to Mexico, Venezuela or elsewhere and tell them: Sell us oil if you have some at a better price.

The second consequence is that we will be stuck with non-conventional oils coming from the tar sands, which could become costly, and we would no longer have the option of going out to world producers for competitive prices. What would be even worse is that, if we had enough oil in western Canada to meet the needs of the east, we could not reverse the pipeline from Montreal to Portland in order to send supplies to eastern Canada, Halifax, St. John and so on.

But all those consequences are naturally of little if any importance to the Leader of the Opposition who would have us start immediately to increase the volume of the pipeline from Sarnia to Montreal, even though we have no oil to ship through it.

● (1710)

[*English*]

The fourth element is to begin immediately—this Leader of the Opposition is always "beginning immediately"—the Sarnia-Montreal pipeline. He is going to begin immediately the planning and construction of a gas pipeline from Montreal to Quebec City and also to discuss the extension of that gas pipeline to the Atlantic coast. What is new about that, Mr. Minister?

Mr. Gillespie: Nothing.

Mr. Trudeau: Petro-Canada has already fostered an application before the National Energy Board for such a pipeline. In February of last year the federal minister produced great charts showing that that was one of the projects which the Government of Canada was fostering and which apparently was forgotten by the official opposition until some time earlier this month in the Montreal area when the Tories had to think up a policy. They repeated, once again, our policy. They said the Liberals had no policy for ten years, and now the Tories come up with five new elements. So far four are the same as ours with the exception of the Sarnia-Montreal line, which we built. They talked about it after having prevented it at the time of the Borden line; and now they want to expand it but they have no oil to put into it.

So what is new in the fourth element? It begins with the word "immediately". We have not said that. An application will be made in the usual way. We will make sure that gas is available, that pricing is right and that the cost of the line can be amortized. We would certainly want to build it to Three Rivers first—because the Minister of Finance (Mr. Chrétien) believes in developing his area—and then on to Quebec City and then farther eastward. So what is new? The Tories would begin immediately, but let me read on from the very same speech at the very same page.

—to begin immediately the planning and construction of a gas pipeline from Montreal to Quebec City. In so far as we are concerned, we are ready to undertake that extension unless more stable sources of supply are found through either discoveries on the east coast or long-term exchanges with the United States.

They would begin immediately unless more stable sources of supply are found on the east coast or through long-term exchanges with the United States. I do not know what they are going to exchange with the United States. Maybe the hon. member for Edmonton Centre (Mr. Paproski) can tell me.

Some hon. Members: Hear, hear!

Mr. Trudeau: The United States does not have any gas of the kind the Leader of the Opposition is talking about to sell us. They do not have any gas to sell us, so that means he would begin immediately. Why put in the qualification about long-term exchanges with the United States—or maybe Japan or Germany? I am not sure. He referred also to discoveries on the east coast. If the Tories are going to look for new discoveries on the east coast, they had better start supporting Petro-Canada because that is what it is involved in.

Some hon. Members: Hear, hear!

Mr. Trudeau: In this context "to begin immediately" is just about as clear as every other resolve the official opposition takes in such important matters as energy.

Let me deal with the fifth element of this great new Tory policy. The fifth element is to re-establish a council of resource ministers. The Tories say such a council was established by the Diefenbaker government and was a model of federal-provincial co-operation. The council has been meeting through the decade with regard to mines. It has been meeting with regard to energy. The federal Minister of Energy, Mines and Resources has just convened a meeting with his colleagues. Was it November or December last when we were asking for a discussion to negotiate a price pause? An increase was going to come in January. Hon. members recall that. This House was shocked, and so were the provinces. Hon. members opposite did not want to talk about it. The official opposition would re-establish a council of ministers of energy and resources. They did not even want to talk about a price pause, so the Minister of Energy, Mines and Resources finally talked to Alberta and said that there would be a joint announcement of a price pause. Some of the other provinces went along.

Another reason that it is passing strange to talk about re-establishing a council of resource ministers is that on at least half a dozen occasions in the past half a dozen years we have met at the first ministers' level to discuss the very question of energy. Hon. members know how many times we have got together to discuss that and particularly the very difficult subject of pricing. I want to come to that.

I have gone through the five main elements. In the words of the Tory leader, they are the five main elements of a new energy policy, and we can see that in every respect it is a copy of Liberal policy except for a few particulars where the Tory policy is so wrong that it is ridiculous.

The Leader of the Opposition does not talk about pricing, he does not talk about Petro-Canada, so perhaps it is worth while

talking about those two things and also about the problem of allocation, which is dealt with in the bill we are now debating at third reading. With regard to pricing, this country knows what is going on now. It has been going on since the spring of 1974. In the early winter in that period I called the premiers together, and we had debates which were to go on for years and years between the producing provinces, especially Alberta and Saskatchewan which wanted world prices, and the consuming provinces, especially Ontario and the five easternmost provinces which wanted no price increase at all.

That was probably about the most basic element of our policy, because when the world was hit by a fourfold and then a sevenfold increase in the price of petroleum, Canada had the means at its disposal, if it adopted the right policy, to amortize the shock. It had the means to cushion the impact of that massive increase in prices. It was there at our disposal, if we could only reach agreement. I need not tell hon. members of this House the story because they know it. We did reach agreement of a kind. The first time it was pretty unanimous, although some money had to be paid in compensation because the producing provinces did not get the price they wanted. Since then the federal government has had to arbitrate in the starkest terms between the Tory leader of Alberta, Premier Lougheed, and the Tory leader of Ontario, Premier Davis, who had diametrically opposed interests, policies and views.

• (1720)

Where is Joe, the question is asked. Where was he and where is he now?

Some hon. Members: Oh, oh!

Mr. Trudeau: I am not alluding to his absence from the House at this particular moment, Mr. Speaker. I am convinced that he had some other important engagement and I am not making a point of it at all. But what I want to know is how you can talk about an energy policy, even if you are going to copy the five points of the Liberals, without saying anything about prices, which is really the only big, difficult and important question in Canada. How can you talk about an energy policy in those terms?

If Canada were now paying the international price for heating oil, the cost per household would be $179 a year higher for Nova Scotians, $203 per household more for Quebeckers, $173 more per household for Ontarians, $124 more for British Columbians, $261 more for Albertans. And there is a paradox here, because in our lower price for energy, lower than world prices, we are saving people in the prairies, who because of the extremely cold winters there have to buy more heating oil, more money than we are saving households in any other province; and the reason for that is that we have a pricing policy.

Some hon. Members: Hear, hear!

Mr. Trudeau: It is because we have a pricing policy that Canadians are not paying the international price for gasoline, that they are paying a lower amount. What would they be paying if we did not have this pricing policy, if we melted into the background, as does the opposition when it comes to pricing? The price of gasoline in Vancouver would be $1.18 a gallon instead of 92 cents, in Toronto it would be $1.24 instead of 97 cents, in Montreal it would be a $1.20 instead of 94 cents, and in Halifax it would be $1.28 instead of $1. The Canadian average would be a $1.20 instead of the existing 94 cents. That is for heating and for driving your car on business or for pleasure.

Individual Canadians should also realize that not only do they benefit as individuals or as families but that industrial production, which means jobs, benefits from this federal pricing policy. Because if Canada had a trade surplus of $3.5 billion last year, if you consider that 34 per cent of all energy consumed goes to Canadian industry, you realize that our pricing policy has meant that Canadian products, Canadian manufacturing industries and Canadian workers have all benefited from this lower price, which is not the policy of the producing provinces but the policy of the federal government.

Some hon. Members: Hear, hear!

Mr. Trudeau: Another point which has been omitted from the five elements of the Conservative energy policy is Petro-Canada. I was going to say that they did not mention it because either they have no policy on Petro-Canada or they have a negative one. I was just given by one of our members something called the Tory quiz which I think it might be worth while repeating. I do not know why it is postmarked "High River, High". It reads:

What would the Tories do with Petro-Canada? Check one:

(a) wind it down—Joe Clark, Calgary *Albertan*, November 3, 1976.

(b) review it—John Crosbie, Calgary *Herald*, March 24, 1977.

(c) make it more active—James McGrath, *Hansard*, April 22, 1977.

(d) find a role for it—David Crombie, "Watson Report", November 15, 1978.

(e) put it in the hands of Canadian investors—Joe Clark, CBC "News Magazine", January 8, 1979.

(f) give some of it away, but not all of it—Allan Lawrence—

Some hon. Members: Oh, oh!

Mr. Trudeau: I see the hon. member for Northumberland-Durham (Mr. Lawrence) is smiling. He has cause to smile because I think in the end that is what the Tories will end up doing. They will put a mark on (f) because they are beginning to realize that Petro-Canada has become indispensable.

Some hon. Members: Hear, hear!

Mr. Trudeau: In the light of actions taken by the multinationals, particularly Exxon, in the light of a point to which I will come in a moment, perhaps some of the slowness of the producing provinces to let things come on stream, it was necessary to have an instrument like Petro-Canada.

When we created it in 1975 in the House and it began to operate in 1976, the Conservative party was opposed, and it has been opposed from the start. Nevertheless, we did it then in response to a very clear and obvious world trend. It was that government to government and national oil company to nation-

al oil company was increasingly the way in which petroleum was going to be traded in the markets of the world. We saw this with the expropriation of some of the great multinationals in the Middle East; we saw this with the creation of national oil companies in countries such as Venezuela, Nigeria, Belgium, France, Italy, Great Britain, Holland and Mexico, you name it. They were all creating national oil companies. The only major industrialized country which did not have its own national oil company and which was an oil producer was Canada. Of course, the United States is the exception because all the multinationals are there; they are American companies and, as we have seen recently with Exxon, they know how to protect their people.

We saw this trend and we thought it only natural in a country like Canada, where even to this day 95 per cent of the supplies of oil and gas are controlled by seven big corporations which are foreign owned and controlled. We do not say shame; we say this is the way the cookie crumbles and the story develops, that this is the way the exploration took place. We just say it would be a shame indeed if, at this stage in the history of the art and knowledge of the energy revolution—I repeat the word again—this country had not set up and did not support vigorously a national oil company such as Petro-Canada which is owned and controlled by the Canadian people.

Some hon. Members: Hear, hear!

Mr. Trudeau: That national oil company, owned and controlled by the Canadian people through the Government of Canada, has embarked on many projects which have to do with conservation, with exploration and with development, and it is so important that it is inconceivable that one would not think of making use of it. Petro-Canada has entered into joint venture operations with Canadian independent energy companies such as Sulpetro. If we opposed that, we would end this opportunity for Canadian independents.

We saw that Petro-Canada could develop our northern resources and offshore resources. Today, Petro-Canada is responsible for about 50 per cent of our northern exploration. We saw Petro-Canada as the agent of Canadians and of the Canadian government to help work out joint operations with Mexico, Venezuela, and even China to secure new energy supplies. This House knows and the country knows how quickly the government and the Minister of Energy, Mines and Resources rose to their feet when we had to deal with the problem of possible oil shortages or changes in pricing or supply and demand, particularly in the wake of the Iranian crisis.

● (1730)

The minister was in Mexico and in Venezuela just months ago. In the one tour I took in the western hemisphere, Mr. Speaker, Mexico and Venezuela were two of the three countries to which I went. The opposition is always reminding me about Cuba. They can remind me about Cuba, but they should also remember Venezuela and they should also remember Mexico and the undertaking to deal with them.

Some hon. Members: Hear, hear!

Mr. Trudeau: Petro-Canada has launched exploration projects in the Arctic islands worth $80 million in co-operation with Imperial Oil, Gulf and Panarctic. It is involved with Chevron off the coast of Labrador where gas has been found. It is involved in a gas liquefaction project in the Arctic and with EastCan of France to drill off the coast of Newfoundland. It has acquired an interest in other projects, and I mentioned the 15 per cent interest in Syncrude and the 45 per cent interest in Panarctic, another step in our energy policy. We should not forget that this was created under the Pearson government, assisted by Mr. Arthur Laing of Vancouver in setting up Panarctic, and that was a very forward step in the middle sixties.

Some hon. Members: Hear, hear!

Mr. Trudeau: Petro-Canada has a $6 million interest with Polargas in pipeline research. In all these projects we are working closely with the multinationals, whether they be Gulf, Imperial Oil, Mobil or Shell, to develop our energy resources. We are not going to turn our backs on that kind of co-operation. We know this is a big game and that the big leagues are playing. We just want to be one of the significant players, particularly when there is a confrontation or a division of interest, as there must be when these multinationals are involved. These multinational corporations are by and large good corporate citizens, but sometimes they do have conflicts of interest, a subject which as been of such importance to the opposition. When a conflict of interest exists we want a Canadian player to be there, and that is Petro-Canada.

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker, there is just one other subject I would like to talk about before concluding these remarks. I realize I have gone some distance now from the five-point energy platform of the Tory party. I am not very concerned that they will steal the rest of if from us. They are always looking for ideas from this side, but I do not see how they can make up their minds on pricing. I am not afraid they will steal our policy on that, because it would mean either hurting brother Lougheed or brother Davis, and that is not going to happen. They just will not stand up and be counted, and I can predict that with certainty.

On Petro-Canada, of course, they have so many positions, as we say. If they steal anything they will be stealing it from some of their members, again on other members' backs.

Some hon. Members: Oh, oh!

Mr. Trudeau: On allocation, which this bill is dealing with directly and which goes not only to the roots of our energy policy but which has to do with the notion of the country as such, I want to say just a few words. We on this side of the House take the view that the constitution, quite correctly, put

management and ownership of resources in the hands of the provinces. It was not always thus, as we know.

[*Translation*]

I said on other occasions that the constitution had undergone many changes in this respect, that the New Quebec area in particular, the whole northern part of Quebec starting from the La Grande River, if I remember right, was given to the province of Quebec by the federal government whose property it was until 1908 when Mr. Wilfrid Laurier, the then Liberal Prime Minister, had a resolution introduced in the House which was implemented in 1912, in effect doubling Quebec's territory, giving it all those resources until then part of Rupert's Land, in other words Canada.

The Government of Canada did the same thing for northern Ontario. It did the same thing for the province of Manitoba, which it created out of nothing with federal lands in 1870, as well as with Alberta and Saskatchewan which it created out of nothing with federal lands, Rupert's Land and the Northwest Territories in 1905. And even more, it gave them explicitly what they did not have until 1930, namely jurisdiction and ownership over natural resources. So we see a change in the constitutional history where the federal government not only delegates powers but hands over to the provinces considerable resources in the form of territories, minerals and resources of all kinds. It is a laudable change because it enabled the provinces to develop, to have real autonomy, to make them more concerned with the development of their territories, the orientation of their economy and so on. But I believe it is important at this stage in our history, Mr. Speaker, to remind Canadians in general, and perhaps certain provincial premiers in particular, that no province can have absolute ownership without sharing all its resources on its territory.

If the Government of Canada gave large pieces of its territories to Quebec, Ontario and the western provinces, it is because under the constitution it was keeping certain fiscal powers, certain powers with respect to trade and commerce, with respect to other emergencies as the one we are discussing today, certain transcendental powers so the federal government may, when the well-being of all Canadians is at stake, intervene to make sure all Canadians can benefit to some extent from those resources which in fact belong to everyone.

I know, Mr. Speaker, that the premiers and the opposition party in particular will not be fond of this theory. But I appeal to all Canadians, Quebeckers, Ontarians and Albertans. I ask them to think of what this country would become if one province could have not only absolute control but absolute ownership of its resources without any consideration for sharing, by way of taxes or otherwise, with the rest of the country. What would be the consequences, Mr. Speaker? What would happen if an individual born in the maritimes moved to Alberta? He would automatically become entitled to share in the Heritage Fund which is worth about $4 billion now, or the entire budget of Nova Scotia.

What happens to the individual who was born and raised in Alberta, who studied there, who worked there and who, all of a sudden, wants to leave Alberta to work, study, marry, find a job or pursue his career elsewhere? Is it not obvious that by doing so he loses all benefits issuing as birthrights as an Albertan? Is it not obvious that a province could become so rich that an increasing number of Canadians would migrate there to enjoy those benefits which would be denied them by a central government capable of redistributing these resources?

• (1740)

[*English*]

This kind of country would be inconceivable. It would not be possible. Immigration posts would have to be set up at the present time at the Alberta border because—

An hon. Member: Ah!

Mr. Trudeau: I am talking about the hypothesis where the federal government would not be able to share in the resources as it is doing now. I know that the hon. member in the back bench is so bloated with himself that he cannot understand.

I am sure that this is not the position of Albertans, even if one considers the negotiations that we have had with the Alberta government over the past several years. They have agreed in this instance. They have accepted prices which would be less than world prices because they see—not because we have legislation with a revolver clause in it—that it is best for Canada. I respect the premier of that province too much to think that he is only agreeing to lower than world prices because there is a revolver clause in the federal legislation. He is agreeing because he shares a view of Canada which we all have to have—that the resources of this country belong to the people of this country.

Some hon. Members: Hear, hear!

Mr. Trudeau: The constitution says that the resources shall be managed by the province, that the ownership will reside in the province. But it also gives the federal government many rights on those resources, whether it be through taxation power, trade and commerce power, or peace, order and good government power. What I say, and what I said at the first ministers' conference on the constitution in February, is that we are prepared to discuss these powers to limit their exercise, but we will never give them up totally.

Some hon. Members: Hear, hear!

Mr. Trudeau: If hon. members of this House followed those debates in February, they will know that the premiers of several provinces, supporting each other, were trying to put this government in a position where it would no longer have the power to redistribute wealth across the country except in cases of crisis and emergency or where the peace, order and good government legislation had to be applied in all its force. I have a quotation from one member of the opposite side who said in this debate: "Well, you could always use the War

Measures Act". We do not want to be forced to use the War Measures Act to make sure that the resources of this country go to the benefit of the people of this country.

Some hon. Members: Hear, hear!

Mr. Trudeau: I can understand the premiers trying to protect their jurisdiction as much as they can and trying to reduce federal jurisdiction in these matters in these debates, as we saw in February. They are elected and their job is, first and foremost, to stand for the people of their province. They are not elected to think of the over-all scheme of Canada. It is nice when they do, but they do not always do so in their hard bargaining. But we have to think of the good of all Canadians. We have to think of the common good—

Some hon. Members: Oh, oh!

Mr. Trudeau: I hear groans again from the Tory party. I can understand that because of what happened after the February conference. Their leader went to Alberta and when asked about the premier's constitutional stand on resources, he said something to the effect: "I stand with the premier, and the provinces must have the resources". They have the resources now. That is not what the premier was asking for. He was not asking for jurisdiction over resources because he has jurisdiction. He was trying to limit federal jurisdiction over trade and commerce and over other powers which permit us to make sure that those resources can be for the benefit of all Canadians. On that, Mr. Speaker, the Tory party and the Liberal party are different and we will remain different.

Some hon. Members: Hear, hear!

Mr. Trudeau: I see that the Tory party, which condemned us for not having any policy, has finally come up with a policy themselves. It is a vague copy of ours, but they missed the most important point, to wit: that we are elected in this House to look after the common good of all Canadians, not that of only one or other of the provinces—

Some hon. Members: Hear, hear!

Mr. Trudeau: —whether they are led by Tory premiers, NDP premiers, Social Credit premiers or Liberal premiers. We will continue to do our job. We will continue to press forward with this legislation, which is our way of discharging our duty to all the people of Canada, so that they know that if any emergency arises or the common good is disrupted there will be a federal government empowered by this parliament to act for the protection of all Canadians.

Some hon. Members: Hear, hear!

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I appreciate the fact that even though the Prime Minister (Mr. Trudeau) has had an hour to speak the way that he has, at least he has given me ten minutes before the House rises to attempt to rebut. Of course, now the Prime Minister is leaving the House.

[Mr. Trudeau.]

Some hon. Members: Oh, oh!

An hon. Member: Your leader isn't even here.

Mr. Lawrence: I had hoped that I would have been able to stand this afternoon and welcome the Prime Minister back into the House after his absence. I gather that he has not been feeling well, and certainly we can all appreciate that.

An hon. Member: Do you still think that?

Mr. Lawrence: I would have been pleasantly surprised to welcome him back here this afternoon to take part in third reading debate of a bill that has been before this House for two and a half weeks, because I would have wondered why he could not have appeared at an earlier time. It may well be that the debate has not gone the way that he expected it would go. It may well be that because of the rather political stance and the lack of anything constructive from his minister in this particular debate, he felt that he had to bail the minister out by appearing at this late stage.

That, sir, is one theory and it may be correct. The other theory may be that before the Prime Minister himself could hurry off to Toronto to appear on a national television show tonight, he felt that at least he should appear in the House of Commons. I refuse to welcome the Prime Minister back under those circumstances. I have never heard a more barren, naked speech in my life, one designed to divide this country, than the one I have just heard.

● (1750)

Some hon. Members: Hear, hear!

Mr. Lawrence: I ask you to search your mind, Mr. Speaker, to see whether there was one constructive proposal put before the House this afternoon by the Prime Minister in the first supposedly major contribution he has made on energy in this House for a number of years. There was not one constructive approach.

I do not mind his dwelling as he did on my leader's speech made before the chamber of commerce in Montreal a week and a half ago, because no one on our side before or since has indicated that speech was the be-all and end-all.

Mr. Gillespie: It surely was not.

Mr. Lawrence: Certainly it is our intention to bring forward a number of policy decisions. In fact we have already done so.

The Prime Minister made a great deal of saying in his speech that a few weeks ago the Leader of the Opposition (Mr. Clark) made no mention of a pricing policy. The answer to that is very simple and we have stated it many times. To my certain knowledge we have been stating it for at least nine months. The Conservative pricing policy is that we want to see energy prices—oil and gas prices—in this country move toward world prices. It is as simple as that and we have said it many times.

It is fine for hon. members opposite to smile and haggle. If they do not disagree with it I wish they would stand up and say so.

The Prime Minister pokes fun at us in regard to such matters as energy conservation. He claims we have said exactly the same thing as the Liberals. He said that we want to see energy conservation at a 2 per cent rate whereas they want a 3.5 per cent rate. He implies that is a minor exception. It is not a minor exception, Mr. Speaker; it goes to the heart of the question. We are using the 2 per cent figure because, first, we believe it is right; second, we believe it can be reached; and third, the research on the question was done for us by the government's office of energy conservation. I should point out that the chief of that office resigned in disgust because his bosses, the federal government, were doing absolutely nothing to reach that goal.

Thanks to the long windedness of the Prime Minister, I do not have time to go through these policies one by one and explain all the major differences.

Underlying all these matters and the point that was emphasized by my leader, by me and by just everyone on this side of the House when we talk on energy policy inside or outside this House, is the one thing that can save us from these grossly increasing foreign price increases, the one thing that can save us from being dependent on the Ayatollahs, the Venezuelans, the Mexicans or the Saudi Arabians, the one thing that can save us—

Mr. LeBlanc (Westmorland-Kent): Is Exxon.

Mr. Lawrence: —and not leave the maritime area hang out to dry the way the government has left them, the one thing that can fight and beat the multinational companies on their own ground, is for Canada to be energy self-sufficient—

Some hon. Members: Hear, hear!

Mr. Lawrence: —for Canada to utilize its own energy resources to take up the slack where these people have left us dependent on offshore oil.

It is fine for the Prime Minister to talk about what happened ten years ago, but he does not have to go back that far. Since the last OPEC crisis—we are into another one now and will have more if these people are left to their own devices—this government has done absolutely nothing at all. We now export more oil than we did in 1976 when the last bill expired and the government took no steps to replace it. That is a shame, especially when more than one-third of the country has been left by the government to hang out to dry and now we are dependent on Mexico, Venezuela, Iran and Saudi Arabia.

If this minister and the Prime Minister, instead of gallivanting around the world, would spend half the time, half the energy, half the money attempting to develop our own energy sources and our own domestic honest-to-goodness delivery system in this country, that would be a far better attitude.

This is the crux of all the speeches we have been making. Certainly we have a stand on Petro-Canada. Every one of those quotations fits in exactly with what we intend to do with Petro-Canada. All the government wants to do is replace big business with big government. We want to give the average Canadian the chance to take part in Canada's immense development of resources and, by golly, we are going to do it.

Some hon. Members: Hear, hear!

Mr. Lawrence: The government may not have faith that we can utilize our own resources, and because of that lack of vision they are not going to bring it about. They are not going to achieve that because of the petty, divisive, quarrelsome attitude displayed by the Prime Minister this afternoon. We are never going to achieve an objective until that objective is laid out. Our objective is that we in Canada meet our energy needs with our own energy resources.

If we have to put cash programs in place—and we think now that because of the lethargy and complacency of the government this will be necessary—to develop oil in the tar sands, by golly, we will do it.

If we have to expand our pipeline capacity immediately so that we can use Canadian energy reserves for the maritime provinces, then, by golly, we will do it. We should not leave the maritime provinces to hang out to dry as the government has.

I do not have enough time this afternoon to go through the idiotic, negative, sneering, divisive comments of the Prime Minister point by point, and I regret it very much. The country has a right to expect a lot more and a lot better from him.

I see you are looking desperately and anxiously at the clock, sir. I see it is six o'clock and, therefore, I conclude with these points.

Mr. Speaker: Order, please. It being six o'clock, pursuant to the order made on Tuesday, March 20, it is my duty to put the question.

Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: On division.

Mr. Speaker: Carried on division.

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

Mr. Speaker: Order, please. It being six o'clock, this House stands adjourned until tomorrow at two o'clock p.m., pursuant to Standing Order 2(1).

At 6.01 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, March 22, 1979

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

ARTS, LETTERS AND SCIENCES

AWARDS TO CANADIAN RECORDING ARTISTS—MOTION UNDER S.O. 43

Mr. Bruce Halliday (Oxford): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity relating to the Juno award presentations to Canadian recording artists last night in Toronto, which represented a true celebration of the success of Canada's popular musicians and composers and contrasts with the cheap politicization of this historic event by the Prime Minister of Canada who, knowing full well of the live coverage given these proceedings across Canada by CBC, chose to exploit a Hall of Fame presentation in honour of Canadian music great, Hank Snow—

Mr. Speaker: Order. Proceedings pursuant to Standing Order 43. The hon. member for Broadview (Mr. Rae).

* * *

NATIONAL REVENUE

DELAYS IN PAYMENT OF TAX REFUNDS—MOTION UNDER S.O. 43

Mr. Bob Rae (Broadview): Mr. Speaker, in view of the evidence of lengthy delays in the payment by the government of income tax refunds and child tax credits, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House deplores the delays in sending out income tax refunds and child tax credits which carry with them the inevitable conclusion that these delayed refunds are intended to coincide with the calling of a federal election.

Mr. Speaker: Order. Proceedings pursuant to Standing Order 43. The hon. member for Red Deer (Mr. Towers).

ADMINISTRATION OF JUSTICE

SURVEY ON HOME SECURITY AND SAFETY—MOTION UNDER S.O. 43

Mr. Gordon Towers (Red Deer): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgency.

In view of the fact that the Solicitor General's department survey, which he said yesterday is "in terms of crime prevention", is being conducted by telephone callers whom householders cannot prove to be authentic, eliciting information related to home protection which should be known only to householders, yet could be given to anyone bent on housebreaking or other crimes, I move, seconded by the hon. member for Perth-Wilmot (Mr. Jarvis):

That the Solicitor General immediately stop this type of telephone survey which can aid and abet crime rather than prevent or control it.

Mr. Speaker: Such a motion can be introduced for debate only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

PUBLIC SERVICE

INQUIRY AS TO DURATION OF BILINGUAL BONUS PROGRAM—MOTION UNDER S.O. 43

Mr. Roch La Salle (Joliette): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to introduce a motion dealing with a matter of urgent necessity.

Several months ago the government introduced its budgetary cuts and decided to go back on an earlier commitment towards bilingual public servants and put an end to bilingual bonuses. After meeting with officials of the Public Service Alliance yesterday, the President of the Treasury Board announced that he will postpone this curtailment. To prevent this respite from being restricted to the duration of the electoral campaign, I move, seconded by the hon. member for Brome-Missisquoi (Mr. Grafftey):

That the House unanimously urge the responsible minister to inform the House immediately, or at least before the coming election, of the program's duration.

Mr. Speaker: The House has heard the motion proposed by the hon. member. Under the provisions of Standing Order 43,

the introduction of this motion at this time requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

SUGGESTION THAT BILINGUAL BONUS BE MAINTAINED—MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with an important and current matter of urgent and pressing necessity. Furthermore our employees will be proud to see that there is a member in this House who is interested in their fate.

In view of the fact that a few weeks ago I moved a motion under Standing Order 43 drawing to the attention of cabinet the serious effects resulting from the abolition of bilingual bonuses, thus penalizing 40,000 employees and taking a backward step in the expansion of bilingualism in Canada; considering that a newspaper published today reports that a meeting between union leaders and the President of the Treasury Board makes us hope that bilingual bonuses will be maintained for at least a few months; considering that the matter is too important—

Mr. Speaker: Order. If the hon. member for Bellechasse wants to move a motion, he should do so now.

Mr. Lambert (Bellechasse): Thank you, Mr. Speaker. I see that you are as expeditious as I am.

Considering that the matter is too important to become a partisan issue, I therefore move, seconded by the hon. member for Roberval (Mr. Gauthier):

That the House urge the President of the Treasury Board to do his utmost to maintain bilingual bonuses in the civil service as well as in the House of Commons.

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

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Speaker.]

• (1410)

[*English*]

FOREIGN ECONOMIC BOYCOTTS

REMARKS OF MINISTER OF INDUSTRY, TRADE AND COMMERCE AND MINISTER OF NATIONAL DEFENCE—MOTION UNDER S.O. 43

Mr. Rob Parker (Eglinton): Mr. Speaker, in view of statements made yesterday by the Minister of Industry, Trade and Commerce (Mr. Horner) on a Toronto radio program to the effect that Saudi Arabia does not discriminate against Israel and Arab nations generally do not discriminate against Canadian Jews, and in view of a quotation attributed to the Minister of National Defence (Mr. Danson) in yesterday's *Globe and Mail* that Bill C-32 of this House has more substance than Ontario's anti-boycott legislation, I move, seconded by the hon. member for Hamilton-Wentworth (Mr. Scott):

That members of the House take up a collection to teach these two ministers to read.

Mr. Speaker: The hon. member for Moncton (Mr. Jones).

* * *

POST OFFICE

PARLIAMENTARY APPROVAL OF POSTAL RATE INCREASES—MOTION UNDER S.O. 43

Mr. Leonard C. Jones (Moncton): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

Whereas postal rates in this country should not be increased without prior approval of parliament, and whereas further increases are imminent, I move, seconded by the hon. member for Richmond (Mr. Beaudoin):

That no further postal rate increases be put into effect without prior approval of parliament.

Mr. Speaker: Such a motion can be introduced at this time only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

ATIKOKAN, ONT.—DISPOSAL OF NUCLEAR WASTES—MOTION UNDER S.O. 43

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, under the provisions of Standing Order 43 I wish to move the following motion. In view of the announcement by AECL that it will proceed with test-drilling in the Atikokan area in northern Ontario for disposal sites for nuclear wastes, and because of the concern of area residents that this may be the first step in making their area into a nuclear garbage dump, I

move, seconded by the hon. member for Nickel Belt (Mr. Rodriguez):

That the Minister of Energy, Mines and Resources instruct AECL to halt this test-drilling until a public hearing into the matter has been held for the residents of Atikokan.

Mr. Speaker: Such a motion can be introduced for debate at this time, pursuant to Standing Order 43, only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FORESTRY

MARKETING BOARD FOR WOOD PRODUCTS—MOTION UNDER S.O. 43

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, I rise to move a motion under the provisions of Standing Order 43.

The Southern New Brunswick Wood Co-operative has expressed concern for a number of years about the prices that its members have been receiving for their wood. They have now stated their intention to establish a marketing board. I move, seconded by the hon. member for York-Sunbury (Mr. Howie):

That this House instruct the Department of Agriculture, which has great knowledge about such matters, to provide the wood producers of this region with all assistance necessary to reach their goal.

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

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

DISPARITY BETWEEN WAGE INCREASES AND CONSUMER PRICE INCREASES

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a question for the Minister of Finance. Yesterday, the governor of the Bank of Canada said in his annual report what we have been saying in this House for some time—that weekly wages are falling behind consumer prices. He said:

—it does not seem realistic to expect them to accept—other than very briefly—increases in their money incomes that fall far below increases in consumer prices.

In view of the fact that the rate of inflation is heading for double digits by next month if the present trend continues, and in view of the fact that wages in the past year as a result of the AIB controls have fallen behind consumer prices, on a composite index, at an annual rate of approximately $666, I ask the minister what the policy of the government is, in the absence of any guidelines with respect to wage earners whose incomes are falling behind consumer prices.

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, when I presented my budget in November, I said that the rate of inflation would go down in 1979. In fact, the predictions are still to the effect that the rate of inflation for this year will be lower than last year. I think that the present rate of inflation, while a bit high, will go down during the year.

● (1415)

Labour and management will be well advised to make sure that there is not a new round of large wage increases which will lead to big price increases, which will put us back into the position we were at in 1974. I think that Canadian workers and managers understand that. They realize that we have regained, through moderation, our competitive position in world markets. That is why, for example, in the last quarter of 1978 we had a Canadian utilization of manufacturing capacity of close to 90 per cent. We have seen a big increase in employment in Canada. That is because Canadians are willing to be responsible in order to have a better economy.

Mr. McGrath: Perhaps I can ask the minister if he agrees with the statement of the governor of the Bank of Canada. I ask him to address himself to that, especially in light of forecasts for the current year. For example, the Conference Board of Canada anticipates that consumer prices will increase by 8.4 per cent, as opposed to 8.3 per cent for weekly wages.

In light of these very alarming statistics, and the fact that wage earners in this country have been held down while prices have been allowed to escalate, does the minister agree with this statement by the governor of the Bank of Canada? If so, what does he intend to do about it?

Mr. Chrétien: Mr. Speaker, the hon. member should realize that at the time of the budget in November we reduced taxes for Canadians through indexation and other measures in order to allow the workers to have more take-home pay. We reduced taxes to the tune of $1.5 billion for Canadian workers. Therefore, their situation will be better and they will have more disposable income.

There are some good signs in the Canadian economy at this time. We see this all over the place, according to the press. If workers and managers continue to show the same moderation as they have shown in the past 12 months, we can have very good hopes for the future.

Mr. McGrath: Mr. Speaker, we can draw little comfort from what the minister tells us, because what the governor of the Bank of Canada is talking about is the current situation, not the one that prevailed last fall when the minister was predicting an annual rate of inflation of 4.5 per cent, which is now up to 9.2 per cent.

Is it the policy of the government to allow wage earners in this country to catch up to the rate of inflation? If not, what is the policy of the government? For example, has the minister met with the chairman of the National Commission on Inflation to discuss guidelines with that commission which up to this point in time has no guidelines, or is he going to leave it to the judgment of the commission to decide what is inflationary and what is not? I repeat, is it the policy of the government to allow wage earners in this country, who are falling behind, to catch up?

[*Translation*]

Mr. Chrétien: Mr. Speaker, in order to be fair, the hon. member must recognize that Canadian workers have had much more rapid salary increases than their U.S. or foreign counterparts. I think that in the last six or seven years there has been a great improvement in the position of Canadian workers. It is our hope that in 1979 they will continue, as they did in 1978, to take their responsibilities fully so that we may continue to strengthen our competitive position, increase substantially our exports, and improve our economic situation as we have done, to the extent that in February there were 400,000 more working Canadians than last year.

[*English*]

DEVALUED CANADIAN DOLLAR—ANNUAL REPORT OF GOVERNOR OF BANK OF CANADA

Mr. Robert de Cotret (Ottawa Centre): Mr. Speaker, I would like to direct my question to the Minister of Finance. I quote from a statement of the governor of the Bank of Canada in his annual report:

—a major downward adjustment of the exchange rate was undoubtedly necessary in order to help correct the large deficit which had emerged in Canada's international trade in goods and services.

If this downward adjustment was so undoubtedly necessary, why did the government spend billions of dollars in order to try to moderate that downward adjustment and really turn it around?

● (1420)

Hon. Jean Chrétien (Minister of Finance): We have explained many times that this change in the exchange rate of the Canadian dollar was determined by the marketplace. We have intervened regularly in order to maintain an orderly market. At this moment the view is, I think, that the Canadian dollar has reached a more reasonable level because in the last few months we have considerably improved the Canadian economic performance. That is why the Canadian dollar has stabilized.

Mr. de Cotret: I fully recognize that the minister and the government have allowed the market to operate freely despite the fact that they have pumped billions and billions of dollars into this operation. Now that the dollar appears to be on a very modest upward trend, is the government still intervening in the marketplace either to moderate that upswing or, as is more likely for political reasons at this time, to support the upswing in the Canadian dollar?

Mr. Chrétien: The policy with regard to the dollar remains the same; it has not changed since I became minister. The intervention of the governor of the Bank of Canada is to make sure that the market operates in an orderly fashion. Further, I should like to tell the hon. member that we have not lost billions of dollars: we have exchanged Canadian dollars for American dollars, or vice versa, and the government has lost nothing.

* * *

CONSUMER AFFAIRS

CALL FOR ROLLBACK OF UNJUSTIFIED PRICE INCREASES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is directed to the Prime Minister. Yesterday, the Goldfarb Company, well known to the right hon. gentleman, produced a report which was printed in the Toronto *Star* showing that some 70 per cent of the people in metropolitan Toronto have been forced to change their eating habits because of the soaring cost of living.

Considering that this survey follows a metro-Toronto council report which shows that some 350,000 people in that city alone are living below the poverty level, will the government change its mind and take concrete action to roll back the unjustified increases which have taken place recently in the prices of bread and chicken, in order to bring some relief to the thousands of Canadians who need it?

Right Hon. P. E. Trudeau (Prime Minister): The hon. member alleges there have been unjustified increases. By whom, Mr. Speaker? By the farmers? By the marketing boards? By the retailers? If the hon. member has some evidence of excessive increases, we would like to look into it.

Mr. Broadbent: If the Prime Minister had paid attention to the questions which have been asked in the House for the last few weeks, he would know.

Mr. Speaker: Order. If the hon. member has a supplementary question to ask, will he please direct it.

Mr. Broadbent: Considering that the Minister of Agriculture has himself acknowledge that the price of bread went up out of all proportion after the government removed the subsidy, and that the price of chicken rose to three times the level the farmer was receiving during the past year—these are two specific instances to which I am directing attention—would the Prime Minister follow up what he has just said, confirm the facts I have stated and then take action to see that prices are rolled back?

Mr. Trudeau: I hear the Minister of Agriculture saying he never made the statement just attributed to him by the hon. member.

The Leader of the New Democratic Party has been told repeatedly in the House that the average basket of food for a family of four today is costing the average worker at least three or four times less, in hours worked, than it did 10 or 15 years ago. This is a clear indication that Canadians generally, and workers in particular, are paying less for their food, in terms of hours of work, that they did 5, 10 and 15 years ago.

Mr. Broadbent: The Prime Minister should know that workers' salaries went up by only 6 per cent last year, while food prices, according to the AIB, went up by 21 per cent: according to another government agency it was 16 per cent. So food prices in terms of current prices are clearly outstripping increases in wages.

● (1425)

Considering that he has rejected subsidies on bread and milk, considering that he has rejected rollbacks, and considering that his own Minister of Consumer and Corporate Affairs was reported on Sunday to have rejected a food policy—

Mr. Allmand: Nonsense.

Mr. Broadbent: —is the Prime Minister now saying that the government has no plans at all either in the short run or in the long run to reduce the cost of living?

Mr. Trudeau: Mr. Speaker, the question is full of false allegations that the government has done nothing. The Minister of Finance just finished indicating the cuts in taxes, direct and indirect, this government has brought down in the last several years.

Just a very short time ago this House brought in a child tax credit amounting to $200 per year per child. We just increased supplementary incomes for old age pensioners. We reduced tariffs barely a week ago. In the memory of the opposition, all this is nothing. They want to know what we did tomorrow. They will know tomorrow what we will do. It is absolutely incorrect to say that we are not in every way helping people in middle and lower income brackets through tax cuts, subsidies and other measures. The question of the hon. member is based just on forgetfulness with respect to the actions which have been taken in this very House under his very nose.

* * *

[*Translation*]

PUBLIC SERVICE

REQUEST TO PROMOTE BILINGUALISM BY PAYMENT OF BONUS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, my question is to the right hon. Prime Minister.

In view of the fact that the policy espoused by the Prime Minister since 1968 has been to encourage bilingualism within government services dealing with the public from different regions of the country, does the Prime Minister still believe, in view of the upcoming election, that we should continue to work together so that bilingualism in Canada can flourish and that we may counter opposition to this policy, which, in my opinion, can bring great harmony in Canada and make this a great and beautiful country, one where the quality of life meets the highest standards?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, the hon. member expresses exactly the government's feelings when he speaks of the importance of harmony in this country, which has been and continues to be, in our view, a major aspect of this bilingualism policy. Need I also remind the hon. member that in order to provide greater guarantees, not only have we passed legislation and implemented policies in this regard, but we have also introduced in parliament a bill to incorporate, to enshrine, so to speak, in the constitution this language egality policy so that in future no government could dodge this rule which, as the hon. member pointed out, is the very basis of harmony in our country.

Mr. Lambert (Bellechasse): Mr. Speaker, on a supplementary. In view of the context in which we live and bearing in mind the intention of the government of reducing its expenditures to avoid having to increase taxes and levies on the taxpayers, but also bearing in mind the importance of the policy whereby all Canadians, regardless of their language, can communicate with the federal administration no matter where they live in this country, can the Prime Minister tell the House whether he would be willing to grant a bilingualism bonus in the public service and the administration of the House of Commons, and to recommend its permanence to the President of the Treasury Board in order to ensure the survival of bilingualism and harmony in our country?

Mr. Trudeau: Mr. Speaker, I repeat that the objectives mentioned by the hon. member are also ours. The question is whether or not the bilingualism bonus is the best way or method of achieving that objective. May I be allowed to remind the hon. member that some people who receive the bonus have never had occasion to use both languages. Might I also remind him that a large number of people decided to reimburse the bonus to the government because they felt either that they did not deserve it or that it was not the most efficient way of promoting the goal we both pursue.

That is why the government announced last August that it would review the whole matter, put an end to the bonus and seek other ways of pursuing the same objectives. Discussions followed on that question and many others, and I think the hon. member will be happy to know that the President of the Treasury Board advised me that, following talks with the leaders of the Public Service Alliance and various unions yesterday, discussions are progressing well and both parties hope to find a formula other than bonuses through which to attain our common objective. Whether we succeed or not in doing so is another matter but, in the meantime, we are

allowing ourselves a period of several months before altering the present system.

● (1430)

INQUIRY AS TO DURATION OF BILINGUAL BONUS PROGRAM

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a question for the Prime Minister on the same subject. I learned yesterday that the minister had decided to maintain the bilingual bonus. The Prime Minister realizes this announcement is made on the verge of an electoral campaign, whether we like it or not, and I say this in all objectiveness; however, I suggest Canadians would like to know the exact terms under which the bilingual bonus is maintained. I believe this is in the interest of Canadians and I am banking on the honesty of the Prime Minister when I ask him whether he can tell us how long this bilingualism program will be extended.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as for an announcement made on the verge of an electoral campaign, I would simply remind the hon. member that he and his party were complaining last August that I was announcing cuts on the eve of an electoral campaign. Obviously, in the mind of the hon. member and of many people in this House, we have been on the verge of an election for a year now. However, Mr. Speaker, this cannot prevent the government from governing and trying to save money, as was so aptly stated by the hon. member for the Social Credit Party, and this should not preclude the government from bettering its system for the promotion of bilingualism, which is the aim of all government members.

Mr. La Salle: Mr. Speaker, I want to ask a supplementary question.

It seems to me that my question is very simple and the Prime Minister knows quite well that today he could inform hon. members and the public about the duration of his program. In view also of the fact, as the Prime Minister is well aware, that about a hundred teachers are to be laid off on April 1, I would like to ask the right hon. Prime Minister whether he is prepared to reassign those hundred teachers since the program is to be extended, and I simply ask him to tell us for how long will that program be maintained. My question is quite clear, and I hope the Prime Minister will give me as clear an answer.

Mr. Trudeau: Mr. Speaker, no doubt the question is clear, but it is irrelevant. We were dealing with the bilingual bonus. The hon. member, under the guise of a supplementary question, is now asking me about the French teachers. That answer is not the one asked by the hon. member—

Mr. La Salle: Answer my question.

Mr. Trudeau: But that was not the hon. member's initial question. Now he is asking another question. I take notice of it and I will seek an answer to it. I am not aware of the state of negotiations in that respect.

* * *

[*English*]

LOTO CANADA

CARE AND SECURITY IN DISTRIBUTING TICKETS

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is for the Minister of State for Fitness and Amateur Sport. Yesterday, when I put a question to the minister regarding the distribution of tickets by Loto Canada, the minister replied that the distribution was being done by Loto Canada "in their usual competent way."

Can the minister confirm that last Friday Loto Canada lost 3,800 tickets, worth $38,000, when they fell off the back of a truck as it was leaving Vancouver airport, that none of the tickets have since been recovered, and that Loto officials have no way of telling whether one of the $1 million prizes which may be claimed after the draw comes from among these lost tickets? Is this the standard of care and security that Loto Canada maintains when they are distributing tickets "in their usual competent way"?

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, it certainly indicates the vast research that the member goes through every day. It is the care and concern of the Brink's company that lost that bag, not Loto Canada.

Some hon. Members: Oh, oh!

Mr. Beatty: That makes it all okay then.

Some hon. Members: Hear, hear!

Mr. Beatty: That is most reassuring.

Some hon. Members: Oh, oh!

Mr. Beatty: Mr. Speaker, perhaps I could ask the minister a question about some of her vast research every day. May I ask the minister whether, with regard to the Miracle Mart deal which was entered into by Loto Canada officials, the minister is prepared to offer Loto Canada tickets to other large retailers? Are they prepared to offer deals on exactly the same terms as she has offered them to Miracle Mart, namely, that she would bypass the wholesalers and send them directly to the retailers at wholesale prices?

Mrs. Campagnolo: Mr. Speaker, I have just been reading another of the factually inaccurate interviews given by the hon. member at various and sundry times in order to downgrade, if he can, the sale of Loto Canada tickets.

I note, also, that he is inaccurate again in the amount of the commission that is paid to the retailers. He mentions 45 cents a ticket and he has not noted that it has gone up to 80 cents. But then, of course, that is like his research into the Brink's

truck, which of course is indemnified. I find it passing strange that, regardless of what the hon. member says, he tries continually to downgrade the competence of the wholesalers and retailers of Loto Canada tickets, some of whom are in his own constituency and one of whom gave an interview this morning, if I am correct, saying that the hon. member was incorrect in the statements he made concerning the wholesalers in his own area.

Some hon. Members: Hear, hear!

* * *

[*Translation*]

EXTERNAL AFFAIRS

POLICY RESPECTING OFFSHORE RESOURCES

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, I have a question for the right hon. Prime Minister.

[*English*]

Mr. Speaker, in view of the increasing importance of offshore resources to Atlantic Canada, can the Prime Minister assure the House that it is still government policy to retain Canada's legal rights over these resources—

An hon. Member: No.

Mr. Dionne (Northumberland-Miramichi): —while maintaining the willingness to share generously with the provinces the management thereof?

Mr. Speaker: Order, please. I thought the Prime Minister made that abundantly clear in his speech yesterday afternoon.

Some hon. Members: Oh, oh!

An hon. Member: Poor Dionne.

* * *

[*Translation*]

THE CANADIAN ECONOMY

INQUIRY WHETHER PRIME MINISTER WILL MAKE STATEMENT IN MISSISQUOI ON FREEZING OF SALARIES

Mr. Heward Grafftey (Brome-Missisquoi): In view of the current situation, Mr. Speaker, I feel I have a most interesting question for the right hon. Prime Minister. In his annual report which was tabled yesterday, Mr. Bouey, the governor of the Bank of Canada, stated, and I quote:

> —it does not seem realistic to expect them to accept—other than very briefly—increases in their money incomes that fall far below increases in consumer prices.

It is because the right hon. Prime Minister came to Cowansville and told the people in my riding, "Do not vote for Grafftey, because his party intends to freeze your wages, while the Liberal party refuses to impose a wage and price control program", that I want to ask him the following question: Will

the right hon. Prime Minister come again to my riding to make a similar statement?

[*English*]

Some hon. Members: Oh, oh!

Mr. Trudeau: Mr. Speaker—

Some hon. Members: Sit down.

An hon. Member: Zap, you're frozen, Pierre!

Mr. Speaker: Order, please. The hon. member for Portage.

* * *

TRANSPORT

PURCHASE OF HOPPER CARS BY CANADIAN WHEAT BOARD—MINISTER'S POSITION

Mr. Peter P. Masniuk (Portage): Mr. Speaker, my question is for the minister in charge of the Wheat Board. In view of the Federal Court's decision that the injunction sought against the Wheat Board by the farmers is invalid because the purchase had already been made, did the minister agree to the purchase of hopper cars, and was his consent required under the legal set-up of the board?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, this matter has been raised before and it was explained in the House at the time of the original application by the Wheat Board when they were intending to purchase the cars. I indicated at that time that my consent was not required and that the board had their own authority in this matter.

● (1440)

I had advance knowledge of their consideration of the matter, and of course I realized they had discussed the matter with the elected advisory committee of producers. After public reaction about the hopper cars, I was concerned that they review the matter. The Wheat Board went back to the advisory committee, looked at it again and concluded again that the right thing was to go ahead with the purchase.

Mr. Masniuk: Mr. Speaker, could the Wheat Board purchase locomotives, cargo ships and terminal facilities without consulting the farmers whose money they use?

Mr. Lang: Mr. Speaker, I just informed the hon. member that they indeed consulted the farmers. The hon. member may have overlooked, as he overlooked the earlier answers, that there is an elected body of advisers to the Wheat Board who were elected toward the end of last year; it was the first year of their term. They were consulted. Beyond that, as to what they can or cannot do in precise legal terms, I suggest the hon. member should get legal opinions from his own advisers.

Oral Questions

INDUSTRY

PROPOSED LAY-OFFS AT WESTINGHOUSE PLANT IN HAMILTON

Mr. Bob Rae (Broadview): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. It concerns the announced plans by Westinghouse Canada that it will close its switch-gear plant in Hamilton, Ontario, laying off 700 workers.

Could the minister tell us whether his department has received from the company any notification of this plan and how it fits in with the much heralded industrial strategy or one of the several industrial strategies announced by the government?

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): Mr. Speaker, personally, I am not aware of the intention of Westinghouse. The department may well know about it. I will make inquiries and report to the House.

Mr. Rae: Mr. Speaker, I am sorry to hear that the minister has not been informed of something which affects so many workers in a key industrial area of Canada. The sectoral report on the electrical industry indicated that the decentralization of plants, which is supposed to have been one of the reasons Westinghouse is planning on closing its central plant in Hamilton, is one of the critical problems in the Canadian electrical industry and the number of small plants is one of the reasons the electrical industry is no longer internationally competitive.

My supplementary question is: How is this kind of activity on the part of a key company in Canada compatible with the long-term interests of our country as an industrial trading nation?

Mr. Horner: Mr. Speaker, I really have nothing to add in answer to the hon. member's supplementary question other than that I will look into the whole problem.

* * *

ADMINISTRATION OF JUSTICE

SURVEY ON HOME SECURITY AND SAFETY—GUN CONTROL

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the Solicitor General a question. It arises from the questions put by the hon. member for Okanagan Boundary and the hon. member for Red Deer yesterday referring to a survey by the Firearms Advisory Council.

I listened very carefully to the minister's answers. He said that he could answer only if he knew some of the questions. Some of the questions are: "Do you keep any weapons in the house? If so, why do you have weapons? Do you keep handguns in the house?" This research is costing $292,400. The minister said:

—as the hon. member knows, the question of gun control is one of high sensitivity.

Therefore, I should like to ask the minister: Is this survey, which is costing almost $300,000, done in reference to the enforcement of the gun legislation or in reference to crime control in Canada? If it is done for crime control, will this information be fed to all law enforcement officers in Canada?

Hon. J.-J. Blais (Solicitor General): Mr. Speaker, basically, the hon. member is asking two questions. One was asked by the hon. member for Okanagan Boundary; it related to the survey following upon the implementation of the gun control legislation. The other one related to a different study relating to the impact of the media advertising campaign on the reduction in the crime rate. That was the one the hon. member for Red Deer asked yesterday.

Referring to the survey being conducted with reference to gun control legislation, it is in order to ascertain what impact the gun control legislation has; how effective the gun control legislation is; what impact it has in terms of reducing the rate of criminal activity involving firearms; and what reaction there is among gun owners in terms of how they are increasing their own standards in handling guns and ammunition.

Mr. Woolliams: Mr. Speaker, one of the most important things arising from the answers given by the minister is very simple. If a person answers the question, "Do you keep any weapons in the house?" some of the weapons may be restricted and some may be prohibited. I am not endorsing anyone breaking the law, but if innocently—and ignorance of the law is no defence—someone answers that question by saying, "Yes, we keep handguns", and they have not registered them, will the information be turned over to the police, after a voluntary answer given in an investigation costing almost $300,000, and will those people be charged? Is that what the minister is up to? I agree with him that this problem is very sensitive, particularly in rural areas but also in urban areas.

Mr. Blais: Mr. Speaker, I can assure the hon. member that when a survey is being conducted relating to public reaction to any program, one of the essential conditions attached to the survey is that any information obtained is kept strictly confidential.

Some hon. Members: Oh, oh!

Mr. Blais: I can assure the hon. member, as well as the hon. member for Red Deer whose questions yesterday indicated some concern in this regard, that any information sought relating to any survey conducted under contract with my ministry is kept strictly confidential.

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THE CANADIAN ECONOMY

INVESTIGATION OF PRICE INCREASES BY NATIONAL COMMISSION ON INFLATION

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister of Finance, as the minister responsible to parliament for the National Commission on Inflation, regarding recent increases in the retail price of bread.

Will the minister ensure that this new commission will investigate immediately these increases to determine their causes and whether they are justified in light of the facts? If they are not, will the commission immediately enter into discussions with any level of distribution found responsible, with a view to having them reduce these prices to a more appropriate level?

Mr. Broadbent: A good idea, Herb.

Some hon. Members: Hear, hear!

[*Translation*]

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, I shall communicate with the chairman of the commission and advise him of the hon. member's representations.

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[*English*]

NATIONAL REVENUE

BOEING CONTRACT—INVESTIGATION INTO POSSIBLE INCOME TAX EVASION

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is directed to the Minister of National Revenue. In the matter of the Boeing Corporation's admitted double payments to a Canadian agent or agents, can the minister tell the House if the special investigations section of his compliance directorate, or any other section of his department, has done or is now doing an investigation to determine if there has been income tax evasion?

Hon. A. C. Abbott (Minister of National Revenue and Minister of State (Small Business)): No, Mr. Speaker, I cannot provide the hon. member with that information.

Mr. McKinnon: Mr. Speaker, I am not asking the minister to divulge the name of anyone, but surely Canadians have a right to know if taxation department sleuths are investigating this case or, alternatively, if the minister's department is doing nothing or, worse yet, if the case is embarrassing to the government and they are stonewalling it deliberately.

Mr. Abbott: Mr. Speaker, it might well be that some unethical payment has been made by a company to someone. Obviously, the income tax department would be concerned if that recipient was failing to report the income. But if the hon. member is suggesting that Revenue Canada is conducting an examination of a specific citizen or corporation, and that I should be disclosing it in the House, then I think he should consult the law, because he is wrong.

CONSUMER AFFAIRS

RESPONSIBILITY FOR REPACKAGING FOOD ITEMS NOT UP TO LABELLING STANDARDS

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. Do officials of his department expect struggling retailers, who are not processors and who are not responsible for the size, grade and weight of packages, to remove, regrade and repack at their expense such items as raisins, eggs, potatoes, etc., where they do not meet certain standards? Must retailers be subjected to such harassment, rather than getting at the source of the problem which is the processor?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, the principal area of enforcement is with the processors and the manufacturers, but the inspectors in my department have the right and responsibility to enforce the Consumer Packaging and Labelling Act, and other legislation under our department, anywhere in Canada, including the retail level. But we try to concentrate on the processing and manufacturing level.

• (1450)

Mr. Korchinski: Mr. Speaker, I direct my supplementary question to the Minister of State (Small Business). Trying to get at the problem is like trying to collect the proverbial feathers which have been scattered to the four winds.

Would the minister tell the House if his department has had any input into that particular program to avoid the build-up of a huge bureaucracy, which seems evident to the people in the country—a system which might be popular with the NDP or a country where the state is supreme? Has his department had any input into this particular program and, if not, who speaks for small business?

Hon. A. C. Abbott (Minister of National Revenue and Minister of State (Small Business)): Mr. Speaker, with all those feathers flying around, I am not quite sure what it is that the hon. member is driving at. The hon. member should know that the Minister of Consumer and Corporate Affairs has the responsibility of enforcing the Consumer Packaging and Labelling Act.

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EMPLOYMENT

YOUTH—UPGRADING OF SKILLS THROUGH MANPOWER TRAINING COURSES

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I would like to address a question to the minister responsible for the Canada Employment and Immigration Commission.

In view of the fact that many young people who are being encouraged to upgrade their skills through Manpower training courses in community colleges for a particular type of employment are finding it very difficult to obtain a position because

they lack the necessary practical experience, I would like to ask the minister if he is aware of this and, if so, what plans does he have to overcome this problem?

Hon. Bud Cullen (Minister of Employment and Immigration): Mr. Speaker, the hon. member, in his usual courteous manner, was kind enough to give me notice of this question. The fact of the matter is that we were concerned about young people taking training and then finding no job opportunities at the end of the training or, having taken the training and jobs being available, having no experience.

With respect to the latter part of the question, we embarked upon a co-operative education program with the provinces where funding, although it is on a very small basis at the present time, is taking place to give young people the opportunity to move into the work force while taking the training. With the second aspect we are very carefully monitoring, together with the provinces, the jobs that might be available at the end of training programs to see that people are not wasting time in training for jobs that do not or will not exist in the near future.

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AIR TRANSPORT

UNITED STATES OPPOSITION TO PROPOSED AIR CANADA BARGAIN RATE FLIGHTS

Mr. Don Mazankowski (Vegreville): Mr. Speaker, is the Minister of Transport in a position to make a categorical statement to the House relative to the conditional suspension of the Air Canada air fare proposal which has been objected to by the United States authorities?

Can the minister now assure the House that the conditional suspension has been lifted, and can he assure Canadian passengers who have subscribed to this lower air fare package that they will be able, in fact, to fly at the low rate effective next Tuesday?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the course of action is very much in the hands of the United States, so I can only report where they stand in relation to their power to suspend or not suspend certain tariffs which have been filed by Canadian air carriers.

As I understand the American position at this moment, they did register a conditional note in relation to the fares filed by Air Canada, but they do not want these to take effect at this stage. Therefore, as I read the situation, the early part of the Air Canada lower fare season will certainly come into effect without impediment if the Americans do not change their position and take different action. At the same time, they have reserved the right to observe what happens to fares which may be filed by American carriers. Hon. members will know that the Canadian Transport Commission has been allowing certain of these fares similar to the Air Canada fares to come into effect when filed by carriers from the United States.

The American note also indicated that they would await the outcome of the discussions between Canada and the United States before taking any further action. Since those discussions are due to start in several weeks, it seems obvious that the first several weeks of the Air Canada program will be all right. Whether the rest of the program will be all right, obviously will depend on the conclusion of those discussions. I have no reason to doubt that they will be all right.

Mr. McGrath: A little more smile, Otto.

Mr. Mazankowski: Mr. Speaker, I can only assume from the minister's answer that the suspension has not been lifted. Having regard to the fact that the United States has stated that their suspension will not become effective unless the Canadian authorities unreasonably take action to suspend or otherwise deny a bona fide competitive fare proposal of any United States carrier, and given the fact that there have been nine or ten cases wherein the Canadian authorities have, in fact, suspended applications by American carriers, has there been any change in position relative to those nine or ten proposals put forward by the American airlines?

Mr. Lang: Mr. Speaker, it would be my contention that we have not taken any unreasonable action in relation to filings and, therefore, I have optimism about the effectiveness of these Air Canada fares. The truth is that certain fares filed by American carriers in the past six or eight months were subject to suspensive action by the Canadian Transport Commission, and that led to the request by us for discussions with the United States about how to handle these filings in our two countries before our two regulatory agencies. I think we requested those discussions last September or November, but only now have the Americans agreed to having them and they will be held in April.

In the course of looking at the Air Canada fares, the Canadian Transport Commission indicated that certain parallel and similar fares filed by air carries from the United States would indeed be allowed. In other words, they would no longer be suspended and, therefore, they can go into effect. I am sure that the Canadian Transport Commission is ready and willing to look quickly at additional fares which may be filed by American carriers.

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CANADIAN UNIVERSITY SERVICE OVERSEAS

GOVERNMENT ASSISTANCE TO MAINTAIN INFRASTRUCTURE

Mr. R. E. McKinley (Huron-Middlesex): Mr. Speaker, I have a question for the parliamentary secretary to the minister responsible for the Canadian International Development Agency, CIDA. CIDA, as the parliamentary secretary knows, is currently reviewing its funding arrangements with CUSO, the Canadian University Service Overseas, an organization which is heavily dependent on CIDA's support for generating its own volunteer resources.

My question is: Since CUSO has contracts with many foreign countries and a large pool of committed talent offering its skills at very low salaries, does the parliamentary secretary recognize the need to continue providing government assistance to CUSO to maintain the infrastructure upon which this volunteer talent depends?

[*Translation*]

Mr. Louis Duclos (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the government never doubted that the services rendered by CUSO in developing countries are extremely valuable. To give a more direct answer to the hon. member's question, I must simply say that the Canadian International Development Agency is now reviewing very carefully the budget of CUSO, and the minister who is accountable for that agency will announce the decision which will be made in due time.

[*English*]

Mr. McKinley: Mr. Speaker, it seems to me that there were some press reports which were slightly misinterpreted in that they said the duties carried out by CUSO were not in fact very dependable. I believe those press reports were not completely accurate.

If there is a favourable report from the investigation under way by CIDA and the government that CUSO is a dependable organization and that the duties carried out by CUSO are necessary, would the government then confirm that it would be continuing the financing and contracting for that operation?

[*Translation*]

Mr. Duclos: Mr. Speaker, I think the duty of CIDA is not to base its judgments on reports from *La Presse* but on real facts. I think the budget of CUSO will be judged on its own merits.

* * *

[*English*]

AGRICULTURE

BRUCELLOSIS CONTRACTED BY PACKING PLANT EMPLOYEES

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is to the Minister of Agriculture, if I could get his attention, please. I know that the minister has lost a lot of weight and that "Lean Gene" can move quickly nowadays.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Nystrom: My question concerns brucellosis, which is a very serious disease carried by cattle. The Canadian Food and Allied Workers' Union has reported that seven workers at a Canada Packers' packing plant in Lethbridge have contacted brucellosis because they have been working at slaughtering diseased animals. The union blames federal inspectors for not enforcing the regulations. Has the minister had a chance to investigate this incident in Lethbridge, Alberta? If he has, what are the results of that investigation and what protection does he have to offer to the workers in the plant?

• (1500)

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we know there is a possibility that this can happen. I do not have the final results of all the investigations, but we are very concerned that this should happen. If a person has a cut on the hand, or something like that, when they are actually doing the slaughtering, there is a possibility that they could contract the disease, but the occurrence is infrequent.

I feel that our controls are quite strict. I am aware of the situation, but I do not have the results of the investigation before me at this time and I do not know if they are finalized.

Mr. Nystrom: In view of the fact that the union claims that federal inspectors have not been enforcing the regulations for the past several months, and that because of that the workers have contracted the disease, is the minister contemplating any change in the regulations? Is he satisfied that there are sufficient funds so that there are enough federal inspectors to make sure that incidents like this do not occur again?

Mr. Whelan: Mr. Speaker, we are very concerned about whether this should ever happen. We do not want it to happen. I am not in a position to prejudge at this time whether our inspectors were properly enforcing the regulations.

I am sure the hon. member knows there is a certain responsibility on the workers themselves to comply with the regulations. These are being adhered to, according to my understanding. If someone was forcing the workers to do something against the regulations and the union contract—they are fully aware of this—I would be very concerned. I will report to the hon. member as soon as I have the final details.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Grenville-Carleton): Mr. Speaker, I wonder if I might deal with the business of the House generally. Yesterday there was a discussion in the House between my friend and myself about the Arab boycott bill, C-32. The question was whether the government was going to let it die on the order paper or whether it would be called as a matter of urgency, as the minister said, to be dealt with in one day.

I think I should say through you, Mr. Speaker, that I have written a letter to the government House leader which I delivered to him this morning with a copy to my hon. friend from Winnipeg North Centre (Mr. Knowles). It set forth a proposal whereby the bill could be dealt with in one day using committee of the whole proceedings of the House and limiting debate on second reading, so that amendments could be put, with notice of these amendments being given to the government well in advance of the date. In the letter I suggested the bill be called next Tuesday. I wonder if my friend has had a

chance to comment on that, given the urgency of this bill. I think my proposal would meet his requirement of dealing with it all in one day. The government would decide whether they wished to vote against the amendments as they see fit, but at least the House could consider the matter which is of some importance. If he would deal with that, I would be extremely grateful.

While I am on my feet perhaps I could ask if it is his intention to designate next Monday, March 26, as an allotted day. There was some discussion about that but it has not yet been done.

Could the minister also tell us the business for today as well as for next week, as far ahead as he can see in the circumstances?

Mr. MacEachen: Mr. Speaker, the hon. member has asked me about the business of the House for today which I indicated earlier would be Bill C-49, the Bank Act extension, to be followed by the Excise Tax Act and the Income Tax Act. I should like to confirm that next Monday will be an allotted day.

The hon. member raised a question with respect to Bill C-32, on foreign economic boycotts. I am delighted to see in the letter written to me that the opposition has totally reversed the decision taken yesterday by the Leader of the Opposition who on three occasions refused to agree that the bill could be dealt with in one day. If I may borrow a line from the right hon. member for Prince Albert (Mr. Diefenbaker), I have never seen such a conversion since Saul on the road to Damascus.

In any event, having registered that point, I should like to deal specifically with the request of the hon. member for Grenville-Carleton (Mr. Baker) transmitted to me earlier today and which I received at 1.20 p.m. Dealing with it directly, and I hope positively, I should like to quote briefly from the point made yesterday by the Leader of the Opposition. In referring to Bill C-32 he said: "We believe that this bill is urgent".

Some hon. Members: Order, order.

Mr. MacEachen: Then he went on to say: "What we are trying to determine from the minister is whether he is prepared, in light of the new urgency" to deal with this bill.

Some hon. Members: Order, order.

Mr. Lambert (Edmonton West): Come on, now. You bootlegged a whole speech yesterday and you are doing it today.

Mr. MacEachen: The hon. member for Grenville-Carleton has proposed that we deal with this bill next Tuesday under certain conditions. I am prepared to call the bill today. I have in my hand the order which reads as follows:

That, notwithstanding any Standing Order, the first item called under Orders of the Day in this sitting shall be Bill C-32, an act to provide for the reporting of information relating to foreign economic boycott requests;

[Mr. Baker (Grenville-Carleton).]

That the said bill shall, after having been read a second time, be referred to a committee of the whole; and

That, no later than 9:45 p.m. this day, all questions necessary for the disposal of all stages of the said bill shall be put forthwith and successively without further debate or amendment.

The hon. member for Northumberland-Durham (Mr. Lawrence) says "gagging again". This is the proposal received in the letter, Mr. Speaker!

Some hon. Members: Hear, hear!

Mr. MacEachen: The hon. member for Grenville-Carleton added that he would like some assurance that we could get into committee of the whole. We on this side do not intend to prolong second reading debate, probably one speaker will suffice for us, and then we are prepared to go into committee of the whole.

We are ready to go forward today, Mr. Speaker. Despite the urgency asserted yesterday by his leader, the hon. member suggested next Tuesday. If it would be more convenient for the hon. member we would also be prepared to wait until next Tuesday, but we are ready to go ahead today.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): Mr. Speaker, it is a great day when you have to write a letter to the government House leader to get him off his butt.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): I am rather glad I wrote that letter today because the government has finally been forced to bring this matter to a head. On behalf of this party I am prepared to consent to that motion if it is put. That will allow us to deal with it all in one day, today being a long day. That was my intention in choosing Tuesday, so that we would have a full day. That is quite appropriate. I thank the minister for suddenly coming to life and realizing there is a problem in this country and that this government has failed to deal with it.

Mr. MacEachen: What a conversion! Where is Joe for the flip-flop?

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, the proposal now being negotiated on the floor of the House is in line with the position we have taken for a long time, namely, that this bill should be dealt with in one day. If my friends to my right had taken that position yesterday instead of the one they took, we could have agreed to this bill going through yesterday. At any rate, today's proposal is in line with the position we have taken all along. We are prepared to agree that this matter be dealt with today and that the rules proposed be made into an order.

● (1510)

As I listened to the statement made by the government House leader, I did not hear him include the suggestion that has been made, namely that at second reading there be only one speaker per party and that speeches be limited to 20 minutes. It seems to me that that ought to be included in the order or in the understanding.

It is also a fact that in the letter which the hon. member for Grenville-Carleton (Mr. Baker) wrote to the government House leader, there was a suggestion that, if necessary, there would be a readiness to cancel private members' hour. This matter might not take all day, but if we have the understanding that having gone into this matter today we not have a private members' hour from five o'clock until six o'clock, it would help us deal with this matter satisfactorily. At any rate, what I am saying is: yes, we agree.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I would like to explain very clearly my party's position in relation to this issue. As the leader of the Social Credit Party of Canada in the House, I think I have always contributed very positively to the proper consideration of the bills which are introduced in the House to enable all hon. members to express their views. A few moments ago I heard the President of the Privy Council (Mr. MacEachen) talk about the road to Damascus. Mr. Speaker, I for one am not a convert to this position.

I agree about the activities which are necessary if the House of Commons is to administer our country properly. I have said it and repeated it and I will repeat it again. There are 264 of us here, mandated by Canadians to administer the business of the country. Mr. Speaker, if I cannot express my views, I will forget all about it. But if you allow me to express them, I would like to explain very openly to my hon. colleagues of the House the way we see things and say that we are willing to work to allow parliament to be truly effective. As the President of the Privy Council said, we have before us Bill C-49 dealing with banks. The purpose of the bill is to extend the present Bank Act. I for one am not ready to allow it to pass without saying what I think about it. That is also true of my colleagues. This is the third time such a thing happens. We will have to come to a conclusion about all this.

Moreover, Bill C-32 on boycotts is another important bill which should not be passed hastily, but rather considered very seriously so that parliament and then the government can implement it. The bill should be efficient. We also have before us, Mr. Speaker, Bill C-38 on the excise tax. This is a very important bill, Mr. Speaker. I think we should take time to study it seriously and make the necessary amendments so that the legislation which will be part of our statutes is efficient. Therefore, Mr. Speaker, I am ready as are my colleagues to accept to limit the time we deal with this bill. I agree with that but I want leaders of the House to come to an arrangement; I do not want us to be taken by surprise or on short notice.

I would like the President of the Privy Council to take into consideration the remarks I am making now. I think however that we, not me but others, are bright enough to come to an honest and serious settlement and that Tuesday could be a day allotted to the opposition, as the Leader of the Opposition announced. I understood he said yes. I understood March 26 would be an opposition day and I am quite willing to accept that on behalf of my colleagues but I would like parliament to be expeditious. Not that I want to have innocent parliamentarians ready to accept anything whatever the conditions may be. I would like the people of my country to get the impression that we are responsible, that we take enough time to study such and such bill but not too much; I would like that we come to a practical conclusion so that the administration of my country be the best of all democratic countries on this human earth.

[*English*]

Mr. Speaker: It has been proposed that an order be now made. The introduction of the motion to which the President of the Privy Council (Mr. MacEachen) has referred would require the consent of the House. Does the President of the Privy Council have the consent of the House to present the motion?

Some hon. Members: Agreed.

Mr. Speaker: The hon. member for Moncton (Mr. Jones). Order, please.

Does the President of the Privy Council have the unanimous consent of the House to present his motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Some hon. Members: Oh, oh!

Mr. Speaker: There is no consent for the presentation of the motion at the present time. Order, please.

An hon. Member: Who said no?

An hon. Member: You know who said no.

Mr. Paproski: Roberts said no.

An hon. Member: It was Len Jones.

Mr. Speaker: Order, please.

Mr. Paproski: Roberts said no.

Mr. Speaker: Order, please.

Mr. Roberts: It was your member.

Mr. Speaker: Order, please.

Mr. Roberts: Mr. Speaker, I do not rise very often in this House on this type of question, but when the question whether there was unanimous consent was raised, a gentleman who is normally my friend in this House, the hon. member for Edmonton Centre (Mr. Paproski), shouted out—and I am sure it was recorded—that I withheld unanimous consent. That is a

falsehood. It was a colleague of the hon. member who shouted out, and I would stake my seat on it.

Some hon. Members: Oh, oh!

An hon. Member: Poor fellow.

Mr. Speaker: Order, please. The hon. member for Edmonton Centre (Mr. Paproski).

Mr. Paproski: Mr. Speaker, I rise on the same point of privilege. First, I think it was a very cheap shot made by the Secretary of State (Mr. Roberts).

An hon. Member: Come on!

An hon. Member: Order.

Mr. Paproski: —to even say that. Second, I believe it was—I think everybody else in the House saw it—the hon. member for Moncton (Mr. Jones) who got up and said no.

An hon. Member: It was the hon. member for Edmonton.

Mr. Paproski: The Secretary of State can say what he wants, but I heard him say no also.

• (1520)

Mr. Speaker: Order, please. The Secretary of State by way of a question of privilege has taken the opportunity to make sure that the record reads correctly. I think that matter is now finalized.

Further on House business, the hon. member for Winnipeg North Centre.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I am still putting a question to the government House leader with respect to House business. It has not been granted that we do what was proposed a while ago. But since there is nothing in the world to stop the government from calling order No. 32 when government business is called today, may I ask if the government House leader will call that bill, knowing as he does that from the parties in the House there will be a readiness to facilitate it. In other words, will he take the chance, which I think is worth taking, that if he calls the bill, which is the minister's right, it will be through all stages today?

Mr. MacEachen: Mr. Speaker, I have attempted to get an agreement from all members of the House to facilitate the passing of this bill today. The leader of the Social Credit Party has asked for further consultations on this bill. The sensible thing to do now is to revert to the regular business and have those consultations, with a view to dealing with the bill next week. It may be that after a period of reflection on the part of those who may have some doubt about dealing with this bill in one day they will come to a different conclusion.

I have been interested in this bill, as has been evidenced since last January, but we have a great number of competing bills that have to be dealt with. It was in an effort to give this particular bill special attention that I attempted to secure an agreement to pass it in one day. That agreement has not been forthcoming. I doubt very much if it would be practical at this stage to try to pass it today or tomorrow without that kind of agreement. The hon. leader of the Social Credit Party again nods his head in approval.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I thank the government House leader for the statement he has just made. I look forward to the consultations with him.

In the fuss that developed, I do not know whether my friend designated next Monday as an allotted day. If he did, I did not hear him. Did he do so? I just want to make sure.

Mr. MacEachen: Yes, Mr. Speaker, I did. I can understand why the hon. member did not hear me; he was reeling under some of those verbal punches I gave him.

Some hon. Members: Hear, hear!

* * *

PRIVILEGE

MR. DIONNE (NORTHUMBERLAND-MIRAMICHI)—OFFSHORE MINERAL RIGHTS—DISALLOWANCE OF QUESTION ASKED DURING QUESTION PERIOD

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, I rise on a question of privilege arising from the question period. It concerns a question I put to the Prime Minister (Mr. Trudeau) with regard to offshore mineral rights.

I suspect that you, sir, misunderstood the question or possibly did not hear a part of it, because I specifically referred to offshore resources. In your intervention you refused to allow the Prime Minister to reply to my question on the basis that he had dealt with that subject yesterday in his speech. I submit to Your Honour that the Prime Minister did not refer yesterday to offshore mineral resources, and more particularly to resources off the Atlantic coast.

It is true that the Supreme Court has ruled with regard to west coast resources and it is true that there was an agreement signed between the federal government and the governments of the maritime provinces. However, the government of Nova Scotia has since done a flip-flop on that question. Newfoundland has not agreed to the agreement with regard to the management—

An hon. Member: Order.

Mr. Dionne (Northumberland-Miramichi): —of those resources. Last week the Leader of the Opposition (Mr. Clark)—

An hon. Member: Order.

Mr. Speaker: Order, please. I cannot allow the hon. member to get into a debate. If in fact I misunderstood the nature of his question, as the House well knows the Prime Minister (Mr. Trudeau) made a speech yesterday on resource policy. If I was

under the impression that the nature of the question was one that was covered by the Prime Minister and I made an error, I will be only too happy to rectify that if I can. I will look at the text of the question, and if the hon. member's contention is right, I will try to see to it that he is able to put that question at the first possible opportunity.

ROUTINE PROCEEDINGS

[*English*]

IMMIGRATION ACT, 1976

AMENDMENT RESPECTING ADMISSION OF ENTREPRENEUR TRAINEES

Mr. Bob Kaplan (York Centre) moved for leave to introduce Bill C-469, to amend the Immigration Act, 1976 (admission of entrepreneur trainees).

Some hon. Members: Explain.

Mr. Kaplan: Mr. Speaker, this bill fills an important gap in Canada's immigration policy. Immigrants who have come to Canada and established successful businesses and are ready to expand often feel they will be best served by bringing relatives from their own country to help their business to grow. They have more confidence in, and a better relationship with, relatives. Such arrivals do not take existing jobs from Canadians but in fact may add new jobs. My bill will establish a new category of immigrants, entrepreneur trainees, who come to Canada and will eventually earn landed immigrant status.

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

* * *

AERONAUTICS ACT

AMENDMENT RESPECTING INCREASED PENALTY FOR AIR CHARTER TOUR OVERBOOKING

Mr. Jim Fleming (York West) moved for leave to introduce Bill C-470, respecting inclusive air charters.

Some hon. Members: Explain.

Mr. Fleming: Mr. Speaker, the purpose of this bill is to discourage operators of inclusive air charter tours from overbooking or otherwise failing to provide the accommodation that is advertised as part of the tour. At present, a tour operator has nothing to lose by gambling, for instance, on the number of hotel rooms available at a destination. The customer is only reimbursed for the value of what he does not receive, not for any inconvenience that results from being stranded. The bill would impose a penalty of three times the value of any part of the tour omitted, payable to the customer.

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

* * *

ADULT OCCUPATIONAL TRAINING ACT

MEASURE TO AMEND

Hon. Bud Cullen (Minister of Employment and Immigration) moved for leave to introduce Bill C-53, to amend the Adult Occupational Training Act.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Roger Young (Parliamentary Secretary to Solicitor General): Mr. Speaker, the following questions will be answered today: Nos. 598, 832, 1,164, 1,199, 1,200 and 1,208.

[*Text*]

AIRPORT REVENUE FROM CONCESSIONS

Question No. 598—**Mr. Mazankowski:**

1. In (a) 1975 (b) 1976 (c) 1977 (d) 1978 to date, what was the total amount of revenue collected by the government from all (i) types of concessions operating at government airports (ii) airlines operating at or flying enroute through government airports?

2. For the same years, what (a) were the names of the concessions (b) were the names of the principal shareholders (c) was the time limit for each contract and, in each case, were there any renewals without tender and, if so, how many and for what reason?

Hon. Otto E. Lang (Minister of Transport):

Revenues Collected ($000)		1974/75	1975/76	1976/77	1977/78
1. (i)	Concession Revenue	34,429.0	39,097.0	43,888.9	50,771.6
(ii)	Landing Fees etc.	31,529.1	31,899.1	43,920.2	47,105.5
	Terminal Charges	9,315.1	9,784.5	13,460.7	14,624.4
	Enroute Facility Charges	3,357.0	2,395.0	3,437.0	3,497.0
	Ticket Tax	7,109.0	53,731.0	71,135.0	77,290.0
	Air/Ground Radio Service	3,619.0	2,218.0	2,586.0	2,210.0
	Rentals	14,856.0	16,145.5	18,180.3	17,769.2
	Other	4,631.6	5,051.6	4,689.9	3,871.8
	Total	108,845.8	160,321.7	201,298.0	217,139.5

NOTE: The revenues report collections from users of these services. The records of Transport Canada do not readily identify the user of the services. "Air-Ground Radio Service" and "Enroute Facility Charges" are revenues collected from users operating in Canadian airspace who may or may not land at Canadian airports.

2. (a) (b) and (c) The information requested is not readily available and to provide an accurate reply would entail a lengthy and costly examination of the records and accounts of each government airport, which costs in manpower and time would be excessive and prohibitive.

MULTICULTURALISM

Question No. 832—**Mr. Beaudoin:**

1. Since 1968, did the Ministry of State for Multiculturalism finance projects in the Constituency of Richmond and, if so (a) what were the projects (b) what was the (i) total amount (ii) amount in each case (c) what were the areas?

2. Is the Ministry planning to do so in the near future and, if so (a) what will be the amount (b) in which areas?

Hon. Norman A. Cafik (Minister of State (Multiculturalism)):

1. Departmental budgets and records are not maintained by electoral districts but rather by program or by region. However, officials undertook a special review of all the multiculturalism grant files by federal constituency for fiscal year 1977-78 and for the current fiscal year up to February 15, 1979 and it was found that no grants had been awarded in the constituency of Richmond.

2. The amounts granted to any region depend on the number and nature of projects submitted from the region which are evaluated according to the objectives and criteria of the departmental programs concerned, the need of the applicant and the available resources. It is not possible to indicate in advance which projects will be financed in any given area.

CUSTOMS BRANCH MONITORING SYSTEM

Question No. 1,164—**Mr. Friesen:**

1. Does the Department of National Revenue have a complaint monitoring system which covers the Customs Branch and, if so, on what date was it put in place and what is a description of the system?

2. For each month since the monitoring began or since 1976, how many complaints were registered against customs officials and/or the regulations at (a) the Douglas Border Crossing, British Columbia (b) the Pacific Highway Crossing, British Columbia (c) Vancouver International Airport (d) the Windsor—Ambassador Bridge and Tunnel, Ontario (e) the Niagara Falls—Rainbow Bridge, Ontario (f) Toronto International Airport (g) Mirabel International Airport, Quebec (h) St. Stephen, New Brunswick?

3. What is the estimated number of vehicles passing through the above points each (a) day (b) night?

4. What are the three most common complaints?

Hon. A. C. Abbott (Minister of National Revenue and Minister of State (Small Business)):

1. Yes. A complaint monitoring system was implemented in August, 1978 and includes all complaints replied to by the department's field operations branch since April 1, 1978. The system produces semi-annual reports showing complaints first by work location and secondly by one of the following six classifications: conduct of officer, delays, secondary/enforcement/examination, facilities, official languages, clearance of goods.

2. In the complaint monitoring system, Pacific Highway and Douglas are shown as Pacific Highway; all three bridges in Niagara Falls are grouped as Niagara Falls, and Toronto International Airport includes both terminals one and two.

	April	May	June	July	August	September	October	November	December	January
Pacific Highway	5	1	3	3	2	5	4	1	10	1
Vancouver International Airport	3	0	0	3	5	2	4	2	3	3
Windsor Bridge and Tunnel	0	2	4	3	0	3	3	0	0	1
Niagara Falls	0	3	1	1	1	2	2	0	1	1
Toronto International Airport	6	4	6	3	6	4	8	5	6	9
Mirabel Airport	0	2	1	2	6	3	5	1	1	1
St. Stephen, N.B.	0	0	1	0	0	1	1	0	1	0

3. Statistics on vehicles and flight arrivals are not kept on a day/night basis. The following figures are averages for a 24 hour day. The average number of passengers processed is also included.

	Vehicles or Aircraft	Persons
Pacific Highway	4,491	10,520
Vancouver International Airport	31	2,857
Windsor Bridge and Tunnel	18,287	39,677
Niagara Falls	7,126	18,892
Toronto International Airport Terminals One and Two	115	15,824
Mirabel	25	2,234
St. Stephen, N.B.	2,057	4,599

4. The three most common categories of complaint are:

(1) Conduct of officer

(2) Secondary examination/enforcement

(3) Clearance of goods

SPOUSE'S ALLOWANCE

Question No. 1,199—**Mr. Herbert:**

Was a study made of any per capita variance between the Province of Quebec and the rest of Canada of spouses allowance net payments and, if so, to what were such variations attributable?

Hon. Monique Bégin (Minister of National Health and Welfare): In so far as the Department of National Health and Welfare is concerned: no formal study was conducted on Spouse's Allowance per capita variance between the province of Quebec and the rest of Canada. However, information indicating this variance does exist: average amount of allowance being received each month by recipients of the Spouse's Allowance pension.

	*Based on OAS population $	**Based on SPA population $
Quebec	7.06	157.40
Canada	5.42	152.20

The fact that the average per capita SPA payment in Quebec is higher than the national average per capita SPA payment indicates that SPA recipients in that province have relatively less income from sources other than Old Age Security.

* Total Old Age Security population in January, 1979, 2,125,165
** Total Spouse's Allowance population in January, 1979, 75,638

GUARANTEED INCOME SUPPLEMENT

Question No. 1,200—**Mr. Herbert:**

Was a study made of any per capita variance between the Province of Quebec and the rest of Canada of guaranteed income supplement net payments and, if so, to what were such variations attributable?

Hon. Monique Bégin (Minister of National Health and Welfare): In so far as the Department of National Health and Welfare is concerned: no formal study was conducted on Guaranteed Income Supplement per capita variance between the province of Quebec and the rest of Canada. However, information indicating this variance does exist: average amount of Guaranteed Income Supplement being received each month by recipients of the Old Age Security pension.

	*Based on OAS population $	**Based on GIS population $
Quebec	66.29	104.89
Canada	56.11	103.16

The fact that the average per capita GIS payment in Quebec is higher than the national average per capita GIS payment indicates that OAS recipients in that province have relatively less income from sources other than Old Age Security.

* Total Old Age Security population in January, 1979, 2,125,165
** Total Guaranteed Income Supplement population in January, 1979, 1,157,573

TRADE WITH UNITED STATES

Question No. 1,208—**Mr. Herbert:**

For each of the past ten years, what was Canada's trade with the United States as a percentage of its total foreign trade?

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): Statistics Canada reports the following: Canada's domestic exports to the United States as a percentage of the total domestic exports to the world for each of the past ten years were as follows:

	Domestic Exports
1969	71.1
1970	64.7
1971	67.4
1972	69.3
1973	67.3
1974	65.7
1975	64.9
1976	67.3
1977	69.8
1978	70.3

SOURCE: Exports—Merchandise Trade, Statistics Canada Catalogue 65-202, various issues; Exports by Commodities, Statistics Canada Catalogue 65-004, December, 1978.

Canada's total exports (including re-exports) to the United States as a percentage of total exports (including re-exports) to the world for each of the past ten years were as follows:

	Total Exports (including re-exports)
1969	71.4
1970	65.1
1971	67.7
1972	69.6
1973	67.6
1974	66.1
1975	65.2
1976	67.6
1977	70.1
1978	70.4

SOURCE: Exports—Merchandise Trade, Statistics Canada Catalogue 65-202, various issues; exports by Commodities, Statistics Canada Catalogue 65-004, December, 1978.

Canada's imports from the United States as a percentage of total imports from the world for each of the past ten years were as follows:

	Imports
1969	72.5
1970	71.1
1971	70.2
1972	69.0
1973	70.8
1974	67.3
1975	68.1
1976	68.9
1977	70.4
1978	70.6

SOURCE: Imports—Merchandise Trade, Statistics Canada Catalogue 65-203, various issues; Imports by Commodities, Statistics Canada Catalogue 65-007, December, 1978.

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Roger Young (Parliamentary Secretary to Solicitor General): Mr. Speaker, if question No. 821 could be made an order for return, this return would be tabled immediately.

[*Text*]

MULTICULTURALISM

Question No. 821—**Mr. Mitges:**

1. For the fiscal year (a) 1977-78 (b) 1978-79, by province, how many applications for financial assistance were submitted to the Multiculturalism Directorate and, by year, how many were (i) approved (ii) rejected?

2. In the case of each approved application, what was the (a) name and address of the organization (b) amount (i) requested (ii) received and were the funds allocated in the form of a grant or a contribution (c) date of approval (d) purpose intended for such funds?

3. In the case of each rejected application, what was the (a) name and address of the organization (b) amount requested (c) date of submission (d) reason for rejection?

Return tabled.

[*English*]

Mr. Speaker: Shall the remaining questions stand?

* * *

POINTS OF ORDER

DELAY IN ANSWERING ORDER PAPER QUESTIONS

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I rise on a point of order. I was going to rise yesterday but something happened during the course of points of order and I was not able to draw this to the attention of the parliamentary secretary. I am glad to see the Parliamentary Secretary to the Solicitor General (Mr. Young) answering today. I am hopeful that I will have more success with him in getting responses to my legitimate, important and urgent questions on the order paper.

The fact simply is this. I have to persist in bringing this matter to the attention of the parliamentry secretary in order to get a response to these important questions. I refer to questions I placed on the order paper with regard to the use of government aircraft by the Prime Minister (Mr. Trudeau) and members of the cabinet during the two-month period prior to the byelection. The parliamentary secretary will know that I am referring to questions Nos. 207 and 208 which read as follows:

Has the Liberal Party of Canada paid for the use of any government aircraft in the period August 16 to October 16, 1978, in connection with the byelections held on October 16, 1978 and, if so, in what amount for each trip?

[Mr. Horner.]

Did the Prime Minister or Members of the Cabinet, during the period August 16 to October 16, 1978, make use of government aircraft and, if so, what was the total cost and what was the destination, on each occasion?

I keep raising this matter because as each day goes by we get closer and closer to a general election. The problem is this. If the government persists in not answering these questions before the general election, there can be only one conclusion: the government would be embarrassed by revealing that information. In the interests of protection whatever remains of the reputation of this government, I ask the parliamentary secretary to try and get the answers to those questions and to others that I have placed on the order paper.

Mr. Peter Elzinga (Pembina): Mr. Speaker, I rise on a point of order with regard to questions I have had on the order paper for three sessions. A period of two or three years has elapsed and there has been no attempt to give me any type of answer even though individuals from the department have contacted my office for clarification of some of the questions I asked.

I wish to underscore what the previous member stated to this chamber. It is obvious the government is very touchy when it comes to questions about passes for travelling, not only when they relate to members of the cabinet but also when they affect presidents of Crown corporations and commissioners. My purpose was to find out how often persons in these positions have travelled on special passes issued to them. I reinforce the appeal made to the parliamentary secretary by the hon. member in the hope of having these questions answered before an election.

● (1530)

Mr. Roger Young (Parliamentary Secretary to Solicitor General): The hon. member for Saskatoon-Biggar (Mr. Hnatyshyn) knows how easy I am to deal with and how disposed I am to provide answers to these questions. I may say I have never been embarrassed by any of the answers I have had to bring forward. I have relayed the concerns expressed on this matter to my colleague, the Parliamentary Secretary to the President of the Privy Council (Mr. Pinard), and I am sure we will do our best to make these answers available as soon as possible.

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

BANK ACT AND QUEBEC SAVINGS BANKS ACT

AMENDMENT TO EXTEND OPERATION TO APRIL 1, 1980

Hon. Jean Chrétien (Minister of Finance) moved that Bill C-49, to amend the Bank Act and the Quebec Savings Banks Act, be now read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Mr. Speaker, the bill I am now introducing is short and very straightforward. The purpose of it is to extend the powers of banks incorporated under the Bank Act and the Quebec Savings Banks Act to April 1, 1980, by amending section 6 of those pieces of legislation. Under the present legislation, Mr. Speaker, the powers of banks to operate as banks would expire on March 31, 1979.

[*English*]

Bill C-15, the Banks and Banking Law Revision Act, has been under consideration by committees of the Senate and the House since November of last year, although the bill was presented in the same form to the House of Commons in June, 1978. An extension of the present Bank Act is necessary because there is not sufficient time between now and March 31 to permit a careful examination of the committees' reports, and to consider any changes that should be made to the proposals in Bill C-15 in response to the committees' recommendations.

I share the disappointment of various members of the House and of the many interested parties who have indicated their desire to have the revised banking legislation enacted as soon as possible. However, I do feel that the decennial revision of the banking legislation should not be carried out without careful review and extensive consultation.

The parliamentary committees have devoted a great deal of their time to examining this important and extremely complex legislation. Interested parties have had every opportunity to submit written briefs and to be heard by the committees. The entire revision process, which began in September, 1974, when the then minister of finance invited interested parties to submit briefs on the subject, has been time consuming but most worth-while. While it has become evident that revised banking legislation cannot be enacted before March 31, 1979, I would hope that it will be passed as soon as possible thereafter.

[*Translation*]

Mr. Speaker, I would like to thank the members of the committee on banking affairs who worked very attentively on the revision of this legislation. I would also thank the members of the Senate committee on the same matter.

I had hoped to get the report of the committee a little sooner, at the beginning of the session. We had planned in the fall to introduce it in mid or late February which would have enabled us to pass it before the end of the session. Unfortunately circumstances and the work of the committee of the House did not allow them to report to me before Tuesday of this week. I am going to examine immediately the reports of the two committees, both of the House and the Senate, and I hope to move amendments to Bill C-15 and come back within a few weeks. That is why I hope Bill C-49 can be passed without much controversy because it is a very consequent piece of legislation in view of the circumstances.

[*English*]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, it was touch and go whether we would go on with this bill today. I was anticipating that in the present circumstances we might either go on with the boycott bill or with the bill which has already been started, Bill C-38, the exicse tax bill, which is a matter of much greater interest to most members of the House. However, Bill C-49 is before us and, as far as I am concerned, I hope we will stick to its provisions which call for an extension of one year of the Bank Act.

I should like to go into a little more detail, though, with regard to what has happened and why we find ourselves in our present situation; I believe this could be instructive not only to ourselves but to all concerned. What does one do when the House has to consider a decennial revision of the Bank Act in the context of significant changes and developments affecting the economy and industrial activity in this country? I took part in the previous revision of the Bank Act which began in 1964 and finished in 1967. For that reason I feel no compunction of conscience should the study of these revisions provoke any adverse comment from anyone except those who think that, having once proposed something, it should be considered for five minutes and then accepted.

I recall that back in 1972-73, as finance critic for the opposition I recommended to the then minister of finance, Mr. John Turner, that he should convince his cabinet colleagues to appoint a royal commission on the subject of banking and financial institutions in this country. The Porter commission, which was appointed in 1959 or 1960, reported about 1964. That commission did very good work.

We are not legislating now for the past but for the decade to come—the coming two decades as far as our banking system is concerned. The subject matter we reviewed in the sixties and that w' ich we are reviewing in the seventies are as different as chalk from cheese where banking and related matters are concerned. The evolution of business activities, business techniques and so forth has been such that we are no longer in the same field. There was always a constant danger of limiting one's thinking to what had gone past. I accused the committee several times of legislating back to the use of quill pens or for the manufacture of horses' collars when everybody is using automobiles.

As a result of strong representations made in the committee by myself and others, a general consensus was reached that we would legislate for the present and for the future. However, we did not have the material, studies and testimony from all sides we would have required. Therefore, I fault my old friend John

Turner for not setting up that royal commission so that we could have the benefit of a good report, which might have taken three years to present. It would have served the committee in the other House as well as ours. Incidentally, the committees finished their studies approximately three or four days apart.

● (1540)

There was a great deal of consensus among the members who attended, members of the official opposition and the government party. Rarely did we see members of the New Democratic Party; I do not think they attended more than four or five sessions. Possibly they attended a few at which witnesses appeared, but beyond that and with respect to the preparation of the report we did not see them. We did not see others very much either. On the other hand, people did get to know the subject. The committee considered Bill C-57 last June and set a schedule for testimony during the fall months. That schedule was interrupted. I think the parliamentary secretary will agree that it was interrupted because the government decided to put the session to an end and start a new session.

I think the Minister of Finance (Mr. Chrétien) will agree that the committee did lose about a month of momentum as a result of that. That was a consequence of a government decision. Perhaps that decision was made for valid reasons, but that was one of the consequences. We did hear all the witnesses. The committee split into subcommittees to hear testimony. Questioning was full and we received a good reaction from the public.

As far as the recommendations of the committee were concerned, the report took a little longer, I think because members decided to be extraordinarily careful. Some sixty recommendations were made. I will not go into the subject matter of the recommendations; I think that would be irrelevant.

The question now is why we are extending the Bank Act for one year. There will be some rather difficult consequences. There will be competition from foreign banks and uncertainty on the part of Caisses Populaires. There will be delay in the setting up of the proposed Canada payments association. There will be some difficulty with regard to some Caisses Populaires and credit unions. There will be other uncertainties which have not been resolved. The Senate report and the report of the Standing Committee on Finance, Trade and Economic Affairs each have about 60 recommendations, in addition to which some time before Christmas the government presented some 70 technical amendments.

Some of them were not so technical, but the bill has to go back to square one, and even if the committees had reported in mid-February there was no way the government could have considered the two reports. I do not think the Minister of Finance has a closed mind on this subject, but whichever government carries out the redrafting of the Bank Act will have to consider the recommendations of the committee of the other House and ours on the subject, what the act should contain and particularly certain definitions which will have some rather far-reaching consequences. All this will entail some deep rethinking. Once the thinking has been completed there will have to be legal drafting and translation. Then there will be the introduction of a bill and debate at second reading, which there has not been in this House.

If there were to be a second reading debate on a bank bill in this House, I am sure it would be long and wide-ranging because every member of this House feels that he is the most inspired critic of the banking system, depending, of course, on when he had his last conversation with his favourite bank manager about the size of his overdraft. Then there would have to be consideration in committee. That consideration would not necessarily entail public hearings, but there were public hearings with respect to the previous proposed revision.

The Canadian Bankers' Association represents those organizations most affected, and it made appearances. I think perhaps there were some others, but the list was much smaller than on previous occasions. After the committee stage there would be a report stage. The previous bill was some 360 pages long and affected five different acts. In fact, it set up one new act, the proposed Canadian payments association act.

There would have been no way within six weeks of sitting time, even if we had dedicated all our sitting time to consideration of the Bank Act, that we would have concluded our business in time, passed the bill at third reading, had it go to the other place for consideration and had it in place in time for the banks to take the necessary positions so that as of April 1 they could have carried on business. That was just not in the cards, and in this regard I am glad to see that the government has not chosen, for example, October 1 next, but instead April 1, 1980. I think that is a realistic date under any circumstances because consideration of the Bank Act will have to fit in with many other matters which have to come before the Standing Committee on Finance, Trade and Economic Affairs. Once being seized of a matter a committee cannot set it aside or have part of its membership consider other matters.

I had to laugh at the Deputy Prime Minister (Mr. MacEachen) today when he alleged that the opposition House leader reeled under the shock of his observations. The man who is most responsible for the horse and buggy pace of this House with regard to legislation is the present Deputy Prime Minister. Since 1976 he has consistently refused to refer certain matters of procedure which Mr. Speaker has indicated should be considered and on which there has been general agreement on both sides of the House that they should be put into practice at least for a trial period to see how they work. However, unless and until we get rid of the self-inflicted hair shirt constructed by the predecessor of the Minister of Finance when he was government House leader back in 1969 that standing committees consider legislation and estimates at the same time, there will be no way to consider legislation other than to go from the House to the standing committees.

● (1550)

The finance committee has its plate way overloaded, what with the estimates from five departments and, usually, not the majority share but a very large proportion of the legislation that comes before this chamber. Surely to goodness we have several options open to us to change the procedure whereby committees could be freed of the entanglements of a number of representations.

I will not go into the whole picture, but suffice it to say that we are working under a system that was thought to be copied from the British back in the 1960s. They carried it for a short while and then tossed it into the can because it was not worth it, and now they are well away from it. The same with this particular bill. I hope that if in due course we have to do this again, if we have to do it with other pieces of legislation that have sunset clauses or make a major impact in the House, we will have special legislative committees to deal with them. Members can move from committee to committee, but committees cannot move from committee to committee, nor can you shift legislation from committee to committee if there is an overloading.

All right, we have reached this point and the question is: Is it to be recommended to the House that the Quebec Savings Banks Act be extended to March 31, 1980? In my view it is and it always was. Even when I participated with the then parliamentary secretary to the minister of finance in setting the date of March 31, 1979, I was told that I did not think it was being realistic. I admit that, like everyone else, I was expecting an election in the interval. We set this date over a year ago and I expected there would be an election but that we would take care of the situation by an extension of the bill in the interval. The events overtook the calendar.

I am not going to fault the present minister. I will say there were two reasons. First of all, I think the former minister, Mr. Turner, was unwise, or it was unfortunate that he was unsuccessful if he tried to convince his colleagues to set up a royal commission on banking. Second, I would fault the minister's predecessor, Mr. Macdonald, the former member for Rosedale, in that he refused in 1976 or the beginning of 1977 to refer the contents of the green paper to the committee on some imagined ground that there would be a possibility of two debates. I am sure there would not have been. It would have shortened the debate and we would have cleared away a lot of the underbrush; and who knows, at this time we might already have had a new Bank Act on the way to being implemented, one that is in position for the banks to carry on. It seems to me it is as clear as that.

I will not hassle any particular person while using the benefits of 20-20 hindsight, but I am going to say that my colleagues on the finance committee worked endlessly from Monday nights all the way through to Friday mornings sitting three and four sessions a day on Tuesday and Thursday and Wednesday afternoons, in order to accommodate the testimony of the interested public, and particularly to consider the massive material and to formulate the recommendations they have made.

I was glad to co-operate with them and to work with them, and I know the same may be said of the other place. You develop a sort of kinship and the satisfaction of working with your colleagues on both sides of the House to achieve a document which was unanimous in so far as those persons present and voting for its acceptance were concerned. It was a genuine effort at consensus.

I will say this: We are not going to claim that we are the greatest geniuses in the world—some of our provisions can be criticized by any number of people, depending upon their vested interests and their particular viewpoint—but, on the other hand, considering it from here, within our time limitation I think we can be justifiably proud of the work done by many of our colleagues, those who were there regularly as well as those who came sporadically to fill in and to make special contributions when they were particularly interested; and the same may be said of those on the government side.

Similarly, we worked well over a year on the revision of the Income Tax Act. Members develop, I think, the quality that is required by intelligent individuals who are out to achieve a certain purpose in trying to put forward the best possible package for their colleagues to consider. This we hope we have done and we commend it to the government.

I do not want to go into any particular phase of the bill and I hope no one else will. At present the question is simply: Do we extend the Bank Act until March 31, 1980? To me that is the pertinent subject. I hope we can do that and I am ready to go on to Bill C-38.

Mr. Bob Rae (Broadview): Mr. Speaker, notwithstanding that the hon. member for Edmonton West (Mr. Lambert) said that the pertinent subject was whether or not we would extend the Bank Act for another year, he managed to spend considerable time talking about a number of other subjects, which he had every right to do because they related to the question of what is going on at the moment in the finance committee and the recommendations that have been made by that committee to the government on the Bank Act.

I want to indicate to the minister that we will not give him any trouble with the extension of the Bank Act, because we realize that the revisions to the Bank Act which have been recommended by the committee, and to which we in our party have taken exception and filed a minority report, will not, of course, be discussed in the short life which is left to this parliament. If I may say so, the shorter the life, the better, so far as we are concerned.

Be that as it may, I want to make some comments with respect to the recommendations of the committee on the Bank Act, to put on the record what are our objections to those recommendations and what are our concerns with respect to the policies of the government and the policies that have been recommended by the committee.

There are three principal objections that we have to the recommendations that have come forward from the committee. The first objection we have is that we do not agree with and do

not accept the argument or the premise that foreign banks should be allowed to incorporate in Canada.

● (1600)

Our second major disagreement with the committee is that we do not think incorporation should take place outside of parliament. We think incorporation should continue to be something which is authorized by a special act.

The Acting Speaker (Mr. Turner): Order. I suggest the hon. member should return to the terms of the bill rather than the committee report.

Mr. Rae: Mr. Speaker, with great respect, I hope Your Honour will allow me exactly the same latitude allowed the hon. member for Edmonton West.

Our third concern respecting the policy in the Bank Act is that we are concerned banks should be seen as instruments of public policy. As such they should be required to make full disclosure and have limitations placed on their profits.

It seems to me these concerns are great. I do not want to take a lot of time debating them or their merits. I want simply to indicate to the government that it would not be possible to bring the Bank Act before parliament without my party exercising, by every means at its disposal, its opposition to those three principles.

We should have a democratic Bank Act, one concerned with the role of banks in the entire economic picture of the country. It should be concerned with guaranteeing the rights and controls of parliament. It should be concerned with the need for full disclosure of information, particularly in the area of foreign loans and loans to countries which are not democratic and are imposing great hardship on their citizens. These matters should be incorporated into the Bank Act. Also we are concerned deeply that the whole question of bank profits should be discussed and considered by the government. We know the limit on interest rates was abandoned in 1967, but since that time I suggest profits have gone too far.

When the government wants to get a piece of legislation through, for example Bill C-14, the unemployment insurance bill, it does not have a great deal of trouble marshalling the votes needed in committee. It is highly ironic. The government did not consult with anyone. It did not consult a number of witnesses. It did not have separate unions, each making a deputation to the committee and going through in great detail what their concerns were.

The government went through that report very quickly, but when it comes to legislation such as the Bank Act, the borrowers and depositors protection act or the competition bill, the government has failed to act. It should have brought in legislation in 1974 or earlier to deal with the problem of competition. It should have brought in legislation and stuck with it to provide information and protection to borrowers and depositors, the people taking out mortgages and loans. It should have provided protection and information on being able to pay off loans and mortgages early without paying an extra sum or penalty fee to the banks or trust companies in question. That type of legislation for the protection of Canadian consumers admittedly would have cost the banks and financial institutions some money and trouble. A competition bill would not have been to the liking of our large corporations because it would have broken some of them up and forced them to compete with each other, something they are not used to. But that type of legislation does not get the attention of the government. It does not get the drive and determination of the government. It does not get the determination of the Standing Committee on Finance, Trade and Economic Affairs.

The government is prepared to listen to objections, concerns, deputations, and to be lobbied, compromised, whittled away and whittled down so that there is no competition bill before the House at the present time. Also there is no borrowers and depositors protection act or a democratic bank act at the present time. When the government wants to get legislation through which affects the little people in the country, it can do it as quickly as it wants and it does it as quickly as it wants. It imposes closure and everything else. But when it comes to matters affecting the financial institutions, the government dawdles, delays and meanders its way through the legislation, and there is no clear indication of its public policy and determination.

The government is making a major mistake. It has allowed itself to avoid some very important political and economic questions and decisions which would work to the advantage of Canadian consumers. We are concerned about the Bank Act currently before the committee. We have a minority report which the hon. member for Waterloo-Cambridge (Mr. Saltsman) filed. It is before the House and the press. The government knows our concerns. I do not think our concerns are limited to my party; I am sure they are the concerns of others.

There is not a consensus in the country to allow foreign banks to take over. Certainly there is not a consensus to allow banks to withhold critical information and not be subject to profit controls, particularly when it is known that their profits last year were $1 billion. A good deal of the reason for the massive increase in profits simply is the spread banks have been allowed to charge their customers, the difference they have been allowed to collect between the Bank of Canada rate and the rate they are charging their customers. Something should be done about that. Something should be done about the question of foreign ownership in Canada. The method proposed by the government will have the opposite effect.

Returning to Bill C-49, we are not opposed to the extension. If anything, we would like to see a longer extension because of the discussions which might be necessary to get the government to change its mind. We are concerned on behalf of the consumer about the lack of legislation in the financial field. We do not think the consumer has enough information or protection when he goes to a bank or trust company. We do not think there is enough competition in the Canadian marketplace to give the consumer the sovereignty he deserves. The government has had five years to act, but it has not produced the type of legislation which will protect consumers. Now it

comes to us and says that it needs another year to revise the Bank Act. The government has a lot to learn. The economic questions, the questions facing Canadian consumers, are most important ones. It is time for the government to come home, to look at these problems and give them the attention and the commitment that they require.

● (1610)

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, as I said this afternoon during the debate on the business of the House, I do not want to delay unduly consideration of the various bills that the government wishes to put forward in this place. However, Bill C-49 which is now before us is the exact replica of other measures requesting the extension of the Bank Act for another year which were presented to us in 1977. I remember there was a debate at that time. Finally, the bill was adopted and the Bank Act was extended for a year.

In 1978, the government introduced another measure, Bill C-16, to extend the act for a specific period through clause 1(6) which reads:

(a) if parliament sits on at least twenty days during the month of March, 1979,—

We are now in March, 1979—

—the bank may carry on the business of banking until the first day of April, 1979, and no longer;

Subsection (b) reads as follows:

If parliament does not sit on at least twenty days during the month of March, 1979, the bank may carry on the business of banking until the sixtieth sitting day of parliament next thereafter, and no longer.

Mr. Speaker, I imagine that with Bill C-49 the government is giving notice to the House that parliament will sit on at least twenty days during the month of March, 1979, and that, consequently, it must introduce a bill to extend the Bank Act in our country. Mr. Speaker, the content of Bill C-49 is strangely similar to that of Bill C-16 which the House passed in 1978. It contains exactly the same provisions, which means that the chartered banks could keep operating whether parliament is dissolved or not.

Mr. Speaker, it will come as a surprise to no one that the member for Bellechasse objects to the powers chartered banks are given to translate into money the nation's credit. I find it extraordinary that we should have on top of the public monetary system, a parallel monetary system. If this sort of thing can go on, it is simply because Canadians are not aware of the way our monetary system operates in Canada, which is not surprising.

About a week ago, I met a brave 59-year old public servant who works at Statistics Canada and has always dealt with figures. I will not name him, even if I remember his name, but he told me this: How is it that, at 59 years of age, I still do not know exactly the nature and the operation of our monetary system, why the dollar exists? He is not the only one, Mr. Speaker. A great many Canadians get up in the morning to go to work and earn dollars. They do not ask themselves, during the day, who created the dollar. But still it was created somewhere, Mr. Speaker. The Canadian dollar had its origin neither in heaven nor in hell; it was created somewhere and it is important to understand its role. Some hon. members, who may have nothing better to say, will think and say, in jest: "Ah! those social crediters always think and talk in terms of dollars".

Mr. Speaker, at my age, with all the years I have behind me, I can prove that as a Canadian citizen I have not worked only for money. The large family that I gave to my country, the acres of land that I cleared for cultivation so they would produce to feed the population of my country clearly show that for my part I did not work only for money. I must however admit that the monetary system of my country has a role to play, and this system, and this is a great matter of concern for me, should be under the sole jurisdiction of our government through its institutions. I have never accepted, Mr. Speaker, and I do not accept today that the credit of our country should be controlled by private institutions for their own benefit and that we, Canadians, should be left to fare as best we can by borrowing right and left at excessive interest rates. We are burdening our children with many years of debt to pay for the services that we need today when they will themselves have to pay for other services in 30, 40 or 50 years.

Where are we going, Mr. Speaker? The Canadian parliament must ask this question. I shall try to answer it, and if I am wrong, since we are 264 members of parliament, there will certainly be someone intelligent enough among the 263 others to show me why I am wrong. Mr. Speaker, the credit of the nation is created by someone. First of all, what does the word credit mean? This is important. Before laughing at those who use this word, we should first try to understand what is the real credit of the nation. Who creates it? Mr. Speaker, to my mind, the word credit comes from a latin word which means "I believe, I have confidence".

For my part, Mr. Speaker, I have confidence that a sufficient number of my fellow citizens are able through their work and their intelligence to produce the things I need for myself and my dependants. Their credit means that there is a large enough number of my fellow citizens able to produce the essential services that I and my dependants need, whether they are my wife, my children or others. I have confidence that our activities in general can produce the services required to meet my daily needs. Mr. Speaker, to my mind, this is what credit really means.

Well, Mr. Speaker, if that true credit is made up of our daily activities why could the government not have an institution capable of monetizing credit, making it tangible with dollars, so we can exchange those services and those things among ourselves? Why do we have to go and beg a private

institution legally incorporated under a law of this parliament, the chartered banks legislation, allowing us under section 72 to monetize the credit of this country?

● (1620)

The rest of the Bank Act I do not quarrel with. Mr. Speaker, banks operate very smoothly. They keep exemplary accounting. They have extraordinary employees. Indeed, I have a son-in-law who is the manager of a branch in one of our banks and is doing a great job. He earns his living like everyone else and I am proud of him. I never discuss his work, Mr. Speaker. As far as the present legislation is concerned, he is like everyone else working, he is part of the system. It is not people that I quarrel with. It is the system. Mr. Speaker, it is with the discretionary power the chartered banks of this country are given. What does section 72 say? I would like all Canadians to remember that extraordinary power. I will quote so as not to make any mistake: cash and secondary reserves. It means the law determines that banks have to keep in cash and secondary reserves at the Bank of Canada a quantity of bank notes as safeguard. Section 72(1) says:

> The bank shall maintain a cash reserve in the form of notes of, and deposits in Canadian currency with, the Bank of Canada, and such reserve shall be not less on the average during any month than an amount equal to
>
> (a) twelve per cent of such of its deposit liabilities as are payable on demand in Canadian currency; and
>
> (b) four per cent of such of its deposit liabilities as are payable after notice in Canadian currency.

Mr. Speaker, that is the law as it stands. The purpose of Bill C-49 is to determine whether we are going to continue to maintain that discretionary power to create money. It does not matter if it is just figures in a deposit account with chequing privileges.

This week with my colleagues I met young people from the Canadian Forum, students from all parts of the country. I was invited, like my colleagues, to make a speech before them. I was invited to tell them if I really believe that the Parliament of Canada controls the administration of our country. Honestly, I had to tell them that, unfortunately, the Parliament of Canada does not control the administration of my country because of the fact that, as we know, there are three official powers under our constitution, but there is also another power, a super power that is not our constitution but that transcends the three powers that I shall enumerate. First, the legislative power, we the 264 elected representatives assembled in this House. We are here to legislate, to pass laws that will guide our action, the action of Canadians throughout the country and our day to day activities so that we shall respect each other and not be deprived of our rights by the abuses of others. This is what is called the legislative power.

To implement the measures passed by the legislative power, an executive power is obviously needed. We cannot all be part of it. So the executive includes the right hon. Prime Minister (Mr. Trudeau) and the Minister of Finance (Mr. Chrétien), one of the senior ministers, who is particularly responsible for matters directly concerning our pocketbooks and this is why we call him Minister of Finance. And there are other ministers, the Minister of National Revenue (Mr. Abbott), responsible for the implementation of legislation and for taking in our pocketbooks the money needed to implement the laws passed by the Parliament of Canada. He is responsible for the implementation of those laws at the national revenue level. His name is not important. Then the Minister of National Health and Welfare (Miss Bégin) responsible for the implementation of laws passed by this parliament to allow each Canadian to benefit from social legislation, old age security and welfare in co-operation with the provinces. This is why it is called the executive. There is also the judiciary responsible for ensuring a standard of justice in the administration of laws. And if an individual, if a Canadian considers that his rights have been infringed upon he is entitled to go before the courts and, until now, I have confidence in the integrity of our courts and the administration of justice.

There might sometimes be offences about which no truly proper decision can be made because there is no evidence. It is also human that there might be decisions which are not entirely faultless. It is not for me to mention particular cases, Mr. Speaker, but I must say that I have confidence in the judiciary, and I consider it my duty to say so. But on top of all that, something which is not provided for in the constitution, there is a super power that I call the monetary super power, and that super power does not care about our constitution, it does not care about anything we might say in this House, because it is completely above any legislation we might adopt, it does not care about the constitution and what we might think, just as a bandit does not care about the law.

Mr. Speaker, that is why I say that Bill C-49 to extend the Bank Act is very important. I do not want to blame anybody, but I do not understand why it does not attract more interest, because it is the key. I would like to prove what I am saying. With your permission, Mr. Speaker, when I am finished I would ask that the table I have in my hand be included in today's record. I would be very pleased, but it is your decision. According to the act presently in force, according to section 72—

● (1630)

[*English*]

The Acting Speaker (Mr. Turner): Order, please. Does the hon. member for Bellechasse (Mr. Lambert) have permission to include in today's *Hansard* the document to which he is referring?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Turner): Agreed and so ordered.

[*Editor's note: The document referred to above is as follows:*]

Albert goes to the bank to make a $1,000 cash deposit. He is immediately credited $1,000. The bank legally can make the immediate operations that follow. It lends $880 to John against a promissory note or in the form of a line of credit, after setting aside a $120 cash reserve (12 per cent on $1,000). Those $120 will serve as liquid legal reserves with the Bank of Canada to guarantee the $880 loan made to John.

LET US CARRY ON THE PROCESS OF CREDIT EXPANSION:

Operation No.	Cash	Per cent reserve	Legal reserve with Bank of Canada	Credit legally available for lending	Bank asset	Per cent interest	Interest	Total profit (principal + interest)
	$	%	$	$	$	%	$	$
1					1000.00			
2	1000.00	12	120.00	880.00	880.00	13	114.40	994.40
3	880.00	12	105.06	774.94	774.94	13	100.74	875.68
4	774.94	12	92.99	681.95	681.95	13	88.65	770.60
5	681.95	12	81.83	600.12	600.12	13	78.02	678.14
6	600.12	12	72.01	528.11	528.11	13	68.65	596.76
7	528.11	12	63.37	459.74	459.74	13	59.76	519.50
8	459.74	12	55.17	404.57	404.57	13	52.59	457.16
9	404.57	12	48.55	356.02	356.02	13	46.28	402.30
10	356.02	12	42.72	313.90	313.90	13	40.80	354.70
11	313.80	12	37.67	276.23	276.23	13	35.91	312.14
12	276.23	12	33.14	243.09	243.09	13	31.60	274.69
13	243.09	12	29.17	213.92	213.92	13	27.81	241.73
14	213.92	12	25.67	188.25	188.25	13	24.47	212.72
15	188.25	12	22.59	165.56	165.56	13	21.53	187.09
16	165.56	12	19.87	145.69	145.69	13	18.94	164.63
17	145.69	12	17.48	128.21	128.21	13	16.64	144.88
18	128.21	12	15.38	111.83	111.83	13	14.54	126.07
19	111.83	12	13.42	98.41	98.41	13	12.79	111.20
20	98.41	12	11.81	86.60	86.60	13	11.26	97.86
21	86.60	12	10.39	76.21	76.21	13	9.91	86.12
22	76.21	12	9.14	67.07	67.07	13	8.72	75.79
23	67.07	12	8.05	59.02	59.02	13	7.67	66.69
24	59.02	12	7.08	51.94	51.94	13	6.75	58.69
25	51.94	12	6.23	45.71	45.71	13	5.94	51.65
26	45.71	12	5.48	40.23	40.23	13	5.23	45.46
27	40.23	12	4.82	35.41	35.41	13	4.60	40.01
28	35.41	12	4.25	31.16	31.16	13	4.05	35.21
29	31.16	12	3.74	27.42	27.42	13	3.56	30.98
30	27.42	12	3.29	24.13	24.13	13	3.14	27.27
31	24.13	12	2.89	21.24	21.24	13	2.76	24.00
32	21.24	12	2.51	18.73	18.73	13	2.43	21.16
33	18.73	12	2.24	16.49	16.49	13	2.14	18.63
34	16.49	12	1.98	14.51	14.51	13	1.88	16.39
35	14.51	12	1.74	12.77	12.77	13	1.66	14.43
36	12.77	12	1.53	11.24	11.24	13	1.46	12.70
37	11.24	12	1.35	9.89	9.89	13	1.28	11.17
38	9.89	12	1.18	8.71	8.71	13	1.13	9.84
38	8.71	12	1.04	7.67	7.67	13	1.00	8.67
39	7.67	12	0.92	6.75	6.75	13	0.88	7.63
40	6.75	12	0.81	5.94	5.94	13	0.77	6.71
41	5.94	12	0.71	5.23	5.23	13	0.68	5.91
42	5.23	12	0.63	4.60	4.60	13	0.60	5.20
43	4.60	12	0.55	4.05	4.05	13	0.53	4.58
44	4.05	12	0.49	3.56	3.56	13	0.46	4.02
45	3.56	12	0.43	3.13	3.13	13	0.41	3.54
46	3.13	12	0.37	2.76	2.76	13	0.36	3.12
47	2.76	12	0.33	2.43	2.43	13	0.32	2.75
48	2.43	12	0.29	2.14	2.14	13	0.28	2.42
49	2.14	12	0.26	1.88	1.88	13	0.24	2.12
50	1.88	12	0.23	1.65	1.65	13	0.21	1.86

Bank Act

Operation No.	Cash	Per cent reserve	Legal reserve with Bank of Canada	Credit legally available for lending	Bank asset	Per cent interest	Interest	Total profit (principal + interest)
	$	%	$	$	$	%	$	$
51	1.65	12	0.20	1.45	1.45	13	0.19	1.64
52	1.45	12	0.17	1.28	1.28	13	0.16	1.44
53	1.28	12	0.15	1.13	1.13	13	0.15	1.28
54	1.13	12	0.14	0.99	0.99	13	0.13	1.12
55	0.99	12	0.12	0.87	0.87	13	0.11	0.98
56	0.87	12	0.10	0.77	0.77	13	0.10	0.87
57	0.77	12	0.09	0.68	0.68	13	0.08	0.76
58	0.68	12	0.08	0.60	0.60	13	0.08	0.68
59	0.60	12	0.07	0.53	0.53	13	0.07	0.60
60	0.53	12	0.06	0.47	0.47	13	0.06	0.53
61	0.47	12	0.06	0.41	0.41	13	0.05	0.46
62	0.41	12	0.05	0.36	0.36	13	0.05	0.41
63	0.36	12	0.04	0.32	0.32	13	0.04	0.36
64	0.32	12	0.04	0.28	0.28	13	0.04	0.32
65	0.28	12	0.03	0.25	0.25	13	0.03	0.28
66	0.25	12	0.03	0.22	0.22	13	0.03	0.25
67	0.22	12	0.03	0.19	0.19	13	0.02	0.21
68	0.19	12	0.02	0.17	0.17	13	0.02	0.19
69	0.17	12	0.02	0.15	0.15	13	0.02	0.17
70	0.15	12	0.02	0.13	0.13	13	0.02	0.15
71	0.13	12	0.01	0.12	0.12	13	0.01	0.13
72	0.12	12	0.01	0.11	0.11	13	0.01	0.12
73	0.11	12	0.01	0.10	0.10	13	0.01	0.11
74	0.10	12	0.01	0.09	0.09	13	0.01	0.10
75	0.09	12	0.01	0.08	0.08	13	0.01	0.09
76	0.08	12	0.01	0.07	0.07	13	0.01	0.08
77	0.07	12	0.01	0.06	0.06	13	0.01	0.07
78	0.06	12	0.01	0.05	0.05	13	0.01	0.06
79	0.05	12	0.01	0.04	0.04	13	0.00	0.04

Since on $0.04 the bank would make no more profit, it is assumed it would not go any further than that amount.
Total interests collected: $732.85
Total gross profit, principal + interest: $8240.47
Net profit (gross profit less 9 per cent interest paid on deposits: $743.96) $7496.51
The $1000 therefore were expanded by a $7507.62 amount bringing profits to people not owning it!

[*Translation*]

Mr. Lambert (Bellechasse): I wish to thank you very much, Mr. Speaker, and also all my colleagues for allowing me to include this table.

This table is questionable, yet it was prepared with honest intentions and if they can prove that I am mistaken, I then agree. Yet, as shown in this document, Mr. Speaker, if I go to the bank to deposit $1,000 in bank notes, like the one I have right here, created by the Bank of Canada because the other banks in Canada are not allowed to print them any more, only the Bank of Canada has this privilege. Then, if I go to the bank, it does not matter which one, and if I deposit $1,000 in bank notes, according to the law, the bank must deposit in its legal reserves at the Bank of Canada the amount of $120 and it may immediately create a deposit of $880 for another Canadian. Therefore, the bank would pay interest on the $1,000 I have deposited and it will receive interest on the $880 deposit that the law allows it to create.

[The Acting Speaker (Mr. Turner).]

Mr. Chrétien: I rise on a point of order, Mr. Speaker.

The Acting Speaker (Mr. Turner): The hon. Minister of Finance on a point of order.

Mr. Chrétien: Mr. Speaker, I see that the hon. member has with him the document to which he refers. According to the Standing Orders of this House, he must table this document. Maybe he should also table his $10?

Mr. Lambert (Bellechasse): Mr. Speaker, I am most happy with the reaction of the Minister of Finance. I have had to make sacrifices in my life, when I needed these $10 and did not have them, when as a child I had to buy a three-cent stamp in order to be able to mail a letter to my mother and did not even have that much money, even though I was working 16 hours a day. Today, thanks to Providence, which has enabled me to come and sit in this House to speak out before my country in its highest forum, what I feel and what I wish for the future of our young generation, if the Minister of Finance wishes me to table my $10 bill with my document, I will agree to his requet and I would also like the bank note serial number to be recorded for posterity.

Mr. Speaker, why am I saying that? It is because we have reached a turning point in our history and that we find ourselves in a rather disturbing situation. Today, I was reading this article and I could perhaps table it but I will not ask for that because I would not want to try your patience, Mr. Speaker. I will just quote from the *La Presse* of March 22.

Portfolio managers do not know where to invest their money.

These people have problems with money because they just have too much of it. They do not know where to invest it. Yet on the other side the Minister of Finance is worried by a lack of capital needed to run our economy. He calls on the Japanese, the Swiss, the Germans. Yet, those Germans, who are people whom I like, were precisely those same people who were defeated twice, during World War I when I had members of my family fighting on the battlefields; these Germans who were again defeated during the last world war. They have finally been defeated and Canada participated with the allies in that war, which means that we won. But how come then, if we were among the victors, how come we have to kneel down before the vanquished in order to get loans, in order that they grant us the means to go on administering the country?

Mr. Speaker, those are questions we must very seriously consider. I am not accusing anyone in particular, neither this government nor the governments before, but we must absolutely think about this. Bill C-49 gives us an opportunity to fully consider, at the Standing Committee on Finance, Trade and Economic Affairs, all the provisions of Bill C-15, Bill C-57 and another, the number of which I do not know, when it is put forward again.

Mr. Speaker, if this question was not important, Bill C-57 would have passed last year. Bill C-15 would now be ready for reporting by the Standing Committee of Finance, Trade and Economic matters. The members of that committee, however, are tremendous, and I commend them for that. They study the bill clause by clause, whether to consider allowing foreign banks to establish subsidiaries in Canada, which committee members are not ready to do—and I am in a position to know since I am a member of that committee—they are not ready to allow everything without a good look. All members of the committee—and the interim report that has been presented will prove it—want to be absolutely sure, as members of the House and as members of the parliamentary committee, that not one recommendation in that report will have been made without due consideration.

Mr. Speaker, we must get off the beaten path. I propose to prepare a minority report. Perhaps hon. members will find that funny and will not take it too seriously. But we ought to be careful. Other people will be here when we are gone. Other people will read our decisions. They will analyse our debates and if we cannot take our responsibilities and propose basic amendments to Bill C-15 or to any other bill that will follow, we will be recognized as people who have been unable to assume responsibility.

Sometimes Canadians ask us "What do you propose to do?" So I tell them, as my leader, Mr. Caouette, has said so often in the House, that it is high time that the Canadian government gave our national bank—I see that my colleague over there is listening to me very carefully; actually, I am convinced that he shares our view—the Bank of Canada, the sole responsibility for cashing the nation's credit, that the chartered banks be called upon to ask the directors of the Bank of Canada for the necessary credits to serve the public sector, and that the Bank of Canada serve the needs of the public sector, with an accountability very similar to what it now has. I know that some frivolous people will say that will create inflation.

Mr. Speaker, what is the difference between putting $50 million in circulation through loans from the private bank system or through the Bank of Canada? What is the difference? The government and the departments could agree to reimburse the loans at a given annual interest rate and that rate would certainly be lower that what we are paying now. That has to be said time and time again, maybe some will say: You are always repeating the same thing. That is true! That is because we have a good memory. That is because we believe in the philosophy we advocate. The sun rises every morning. When it does not, when it is cloudy, people get concerned. It always does the same thing. I see the Minister of Finance (Mr. Chrétien) smiling. I know that deep down he is saying to himself: That guy is not all that stupid. I am telling things as they are.

Mr. Speaker, I wish that for once we could stand up and analyse our banking system. I ask the Minister of Finance, who is present and whom I respect, that he consider seriously, with his advisers, introducing an amendment to the Bank of Canada Act so that this institution can play its true role as maker of the currency in this country.

Mr. Speaker, I am sorry to note that Canadians can produce everything that is reported in statistics or earned in the gross national production of Canada, but we are too stupid to design a tool to measure values and exchanges so that we are compelled to borrow abroad. I asked some young people this week at a Canadian forum what was the difference between a $10 bill and a $2 bill. They replied intelligently that the figure 2

appears on the $2 bill and the figure 10 appears on the $10 bill. This is all the difference. They are only figures that appear on coins, bank notes and cheques. Our entire monetary system in Canada is made up of figures. There is certainly a serious shortage of figures in Canada if we have to borrow figures abroad and pay stupid interests on them.

Mr. Speaker, this is what I wanted to suggest to the Minister of Finance (Mr. Chrétien). I know he is a very busy man. The devaluation of the dollar which would be one of the consequences of the Social Credit system would lower the value of the Canadian dollar, according to us. I know he is concerned about inflation, another consequence of the system suggested by my party. If the Social Credit Party of Canada assumed power, we would experience inflation and the dollar would devaluate. If our system advocated the distribution of a better credit system in our country, there would be unemployment. We have unemployment, devaluation of the dollar and inflation, Mr. Speaker. I do not want to be spiteful because I know the Minister of Finance has enough problems. However, in all frankness, I would like to ask him at least to consider seriously our proposals and with his officials to try by all possible means to implement them.

● (1640)

[*English*]

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. member that his allotted time has expired. He may continue with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[*Translation*]

Mr. Alan Martin (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I think there is unanimous consent to amend the motion so that Bill C-49, an act to amend the Bank Act and the Quebec Savings Banks Act, be now read the second time and referred to a committee of the whole.

[*English*]

The Acting Speaker (Mr. Turner): Is it agreed by unanimous consent?

Some hon. Members: Agreed.

[*Translation*]

Mr. Lambert (Bellechasse): I agree, Mr. Speaker, and I will cut my remarks short precisely to allow for the passing of this bill at all stages. But in concluding I would ask the Minister of Finance whether he would readily accept, at least to consider very earnestly, all the proposals we have put forward so that we might come to an agreement with a view to monetizing the credit of Canadians and put them all to work so that all those who are idle today may contribute with their energy and talent to increase our gross national product, which would be needed to put ourselves in a better position with regard to world trade and the countries competing with us now.

Mr. Speaker, I have made those remarks in all sincerity, just as I now appeal with all my heart to the Minister of Finance so that at long last serious consideration might be given this matter in coming months, and the next parliament might be truly composed of representatives who are bent upon attacking a regime which makes its authority felt throughout the land instead of serving the people.

● (1650)

[*English*]

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

* * *

[*Translation*]

EXCISE TAX ACT

MEASURE TO AMEND

The House resumed, from Monday, March 19, 1979, consideration of the motion of Mr. Gillespie (for the Minister of Finance):

That Bill C-38, to amend the Excise Tax Act, be read the second time and referred to a committee of the whole.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I was speaking when the debate was adjourned at ten o'clock last Monday night. I wanted to come back to a particular point in that bill, more specifically clause 16. Now, if hon. members are willing to consider one aspect of the bill, I do not know what the subject will be of the order to be made on clause 15, but with regard to clause 16 we do know what I was opposed to, as well as my colleagues as I said the other night: that is, one of the provisions of Bill C-42, the act on the allocation of energy resources in this country.

Mr. Speaker, I shall be coming back to this over and over again, that is, to that particular point, and I shall take the government House leader to task on this point. We get closure more and more often.

[*English*]

I am glad to see that the Deputy Prime Minister and President of Privy Council (Mr. MacEachen) has entered the House because my remarks in this instance will be addressed to him. I want to tell him that notwithstanding his jocular attitude this afternoon there is one aspect of his leadership of this House which is absolutely regrettable, which is a total minus quantity. As I said earlier this afternoon, it concerns procedures and changes of structure in this House required for the consideration not only of legislation but a variety of other matters.

For instance, there is the matter of the adjournment debate upon which there is agreement. There are a number of other

areas where there is total agreement. Either through lack of vigilance or through lack of militancy the government House leader has failed to respond. I hear the hon. member for Bonaventure-Îles-de-la-Madeleine (Mr. Béchard) say "lack of time". No. There would be no debate on the matter; there would be agreement. But the committee has not met except to elect its executive, since 1977. I have been twice elected as vice-chairman. I have been chairman of that committee. The former member for Eglington has been chairman. The present minister for intergovernmental relations is the last chairman of that committee. I maintain that the committee should be meeting regularly to receive suggestions from hon. members, from the Chair and from the leadership with regard to the rules and practices of this House. To date it has been as worthwhile as that proverbial army which gets paraded up and down, up and down and cannot fight worth a damn. It has done absolutely nothing.

The hon. member may ask what this has to do with Bill C-38. Well, it has to do with this damned fool provision in the statute which deals with a negative resolution. I remember that when the hon. John Turner was minister of justice, before he became minister of finance, he brought down the act dealing with statutory instruments. We then saw for the first time the definition of affirmative and negative resolutions and the procedures for enabling them to be dealt with in this House or the other place. It was stated then that we would soon amend our procedures. That was over seven years ago.

So with Bill C-42, we get closure by statute. We are allowed five hours of debate when dealing with a negative resolution. Mr. Speaker, that is not good enough, and notwithstanding that we are being offered a 3 per cent reduction in federal sales tax, I would personally be prepared to vote against this bill on that ground alone because I think it makes a travesty of the proceedings of the House. I hold the government House leader totally responsible, because a long time ago a reference should have been made to the committee on this subject and the necessary procedural changes made so as to allow parliament to be master of its own rules. Here we are being told we must behave in the House according to a statute, and to my mind that is totally wrong.

Having said that, Mr. Speaker, may I call it five o'clock?

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Thunder Bay (Mr. Penner)—Health and Welfare—Reduced insurance premiums for non-smokers—Government position; the hon. member for Battle River (Mr. Malone)—Transport—Authority of Canadian Wheat Board to purchase grain hopper cars; the hon. member for Cape Breton-East Richmond (Mr. Hogan)—Regional Economic Expansion—Steps to improve Cape Breton coal industry.

It being five o'clock p.m., the House will now proceed to the consideration of private members' business as listed on today's order paper, namely notices of motions (papers), private bills and public bills.

● (1700)

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

CANADIAN COUNCIL OF CHRISTIANS AND JEWS

Mr. Tom Cossitt (Leeds) moved:

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all minutes of meetings, telegrams and letters having to do with any negotiations between the Department of the Secretary of State and the Canadian Council of Christians and Jews for the years 1976, 1977 and 1978.

He said: Mr. Speaker, on January 24 the Parliamentary Secretary to the Secretary of State (Mr. Daudlin) advised the House that the correspondence and documents which I had requested and which give details of negotiations, etc., about public grants between the government and the Canadian Council of Christians and Jews was, and I quote "too voluminous and would be inordinately time consuming and costly to prepare". I was absent on that date and I therefore extend my thanks to the hon. member for Edmonton Centre (Mr. Paproski) for requesting that my motion be transferred for debate, because there is obviously a difference of opinion on the matter.

At the outset I wish to make it absolutely clear that I am in full agreement with the aims and principles of the Canadian Council of Christians and Jews, an organization which had a very distinguished record under one of its former and very distinguished presidents, Dr. Richard Jones. I should emphasize that this is not the same man as, nor is he any relation to, Mr. Peter Jones, to whom I may refer in the course of my remarks and who has just resigned as president of the council.

It is a mystery to me why the government should seek to hide from public view a legitimate request for information concerning a matter which involves the expenditure of public money. In the last year alone this amounts to about three-quarters of a million dollars. How could such documents be so

time consuming to produce? How could copies of such documents be so costly to prepare? I can only view this as a method of trying to cover up something which the government does not want made public. I can only view it as an attempt by the government to whitewash whatever it is that it does not want people to know. If this was not true, then the government would simply say to the House at the conclusion of my remarks today that it is quite prepared to produce all these documents on this matter in order to clear the air completely as a result of the numerous questions which have been asked.

The Secretary of State (Mr. Roberts) recently answered some questions I have had on the order paper since October 18 of last year, and in answer to question No. 294 he certainly severely misled the House—although I am absolutely certain it was not intentional on his part—when he stated, and I quote: "The accounts of the Canadian Council of Christians and Jews are, of course, audited annually by the council's own auditors".

According to information I have, that is a complete misstatement of fact. To prove this, I draw attention to a copy of a letter which I have in my possession written by Yale and Partners, auditors for the city of Toronto. I think only one sentence of this letter needs to be read: "We have examined the combined balance sheet of the Canadian Council of Christians and Jews". Therefore, the Secretary of State was wrong in saying that a full audit was conducted; there is certainly a tremendous difference between the examination of a balance sheet and a full audit. I think the minister well knows that fact.

I am surprised that the government should try to make political capital out of the fact that a member of the opposition questions the expenditure of public money, since that really is one of the many and very important reasons we are here in this House. The Secretary of State has sought to distort the entire issue through such means as issuing a press release containing incorrect information and, in effect, trying to paint me as someone who is besmirching public servants and who also apparently is opposed to Christians and Jews. I do not intend to tolerate and do not think any member should tolerate such uncalled for nonsense.

Here I would like to set the record straight on one point. An unfortunate error appeared in a Canadian Press story dated, I believe, February 28, 1979, which stated that I said outside this House that certain members of the Canadian Council of Christians and Jews had paid kickbacks to members of the Department of the Secretary of State in order to receive grants. I did not at any time make such a statement with regard to members or the executive of the Canadian Council of Christians and Jews. On being advised of this error in the Canadian Press story, I immediately asked that a correction be made.

I admit that I did demand on that date—and I still do—an examination, an investigation and an audit by the Auditor General of Canada with regard to this whole affair. I did state that in my view the Canadian Council of Christians and Jews should welcome such an audit in view of the allegations of kickbacks which were flying around Parliament Hill, so that the air could be thoroughly cleared for all concerned. This is far different from the unfortunate report attributed to me that members of the council were supposedly committing illegal acts or engaging in illegal activities which, as far as I know, is absolutely not the case.

My request for a correction in the Canadian Press story stands as a matter of record. That request was made to the local representative of the Canadian Press in Brockville, Ontario, to the desk editor in the city of Toronto and to officials at its bureau here in Ottawa. As a result of the questions I raised and as a result of pressure from other sources as well, the government agreed to what the Secretary of State called an independent audit which, I understand, has been going on for a few days. I find it extremely strange that the minister has been unable to answer my order paper question or to make public by means of a statement the name of the auditing firm which is conducting the audit, which is supposed to be independent. I find it extremely strange also that the facilities of the Auditor General of Canada were apparently not used.

What does the Secretary of State think such an audit will show? Surely he does not think it will provide an answer to the questions I have raised in the House and which have been raised by many persons elsewhere as well. For example, I refer to outstanding order paper question No. 1,295 which I placed to obtain answers which will certainly not be shown in any audit and which are very pertinent to this case.

For the record, I would like briefly to paraphrase some of these questions. Did any directors receive bonus payments from the council at any time in the last three years, and did such payments come from government funds? What were the amounts of the cheques issued, who received them and what were they for? I have been told that they came directly from government grants and were supposedly for overtime work performed in connection with Open House Canada. Why did Air Canada issue a pass to Mr. Peter Jones, the ex-president of the council who resigned a week or two ago?

In case there is any doubt in this regard, I would like to quote from a letter, a copy of which I have on my desk, dated June 6, 1978, addressed to his colleagues, in which Mr. Peter Jones said: "Once again I would like to attend each regional annual meeting and have been assured that I can have an Air Canada free pass in order to do this.". Is it the policy of this government to give out free Air Canada passes to all charitable organizations, just to certain charitable organizations or just to this particular charitable organization?

Why did Peter Jones recently resign as president of the council? I would like to quote from a letter written by him, dated January 28, 1978, and addressed to all regional directors. I have a copy of this letter on my desk as well. It contains the following paragraph:

> I am frankly unhappy that it could be said of us that the council and its staff are taking money from the federal government and doing nothing in return. No question that we have done everything that we could. Legally we are in the right. Morally I am not so sure.

What is the moral principle of which Mr. Peter Jones is not so sure? Why were such prominent Canadians as John Fisher, Joel Aldred, Alex Geddes and others thrown off the executive of the council, and why was the Ottawa regional office suddenly abolished overnight?

Referring to Mr. Geddes, a very respected businessman in the city of Toronto, I would like to quote from a letter dated January 26, 1979, to Messrs. Lockwood and Ronson, co-chairmen of the Canadian Council of Christians and Jews. I have a copy of this letter on my desk as well. In doing so, I point out that Mr. Geddes was a member not only of the executive committee but a member of the finance committee of that organization. Here is one paragraph:

● (1710)

You may recall that I was concerned about financial control, not only of the day to day operations with reference to the cost of programs, TV commercials and other activities, but especially the proper control and full accounting of the various government grants that have been received by the council in the last two years. I still don't know the total of funds received from government grants, but would guess it is somewhere in the order of $750,000. I think proper reports should be made regarding the use of each grant.

Here is another paragraph:

I was also concerned about the capital reserve of $950,000 that the council had two or three years ago. What is the amount of this reserve today and what happens to the interest income from it?

Incidentally, speaking of that capital reserve, I have a copy of a financial statement issued by the Canadian Council of Christians and Jews which shows that this reserve of $950,000 had, for some unexplained reason, diminished as of November 8 of last year to $746,000. Obviously some of this money could have come from government grants and I cannot see why the Secretary of State should object to the asking of such obvious questions.

It could also be asked of the Secretary of State why he seems so totally unconcerned that the balance sheet of the council dated September 30, 1978, did not show the amount of money received from the Government of Canada—in other words, the taxpayers of Canada; nor does it show how it was dispensed, despite the fact that the sum involved, by the Secretary of State's own admission in answer to an order paper question of mine, ran to $767,000 in 1978 and $304,000 in 1977.

Mr. Peter Jones had admitted that he received a 4.5 per cent mortgage on his home from the council expiring May 13, 1981, and a loan reported to be interest-free in excess of $9,000 also received from the council. I have asked the legitimate question, which the Secretary of State has so far refused to answer, as to whether such funds came from government grants. Perhaps he cannot answer the question if all government grants go into the same bank account as other grants, because then any amounts removed for any purpose from those accounts such as those I have named would be partially public funds; and I believe that under the circumstances it should not be the intention of any government to donate money for a specific project that even in part ends up financing a home or a loan for a private individual.

Why has the Secretary of State refused to confirm or deny that a meeting of regional directors of the council was held in Toronto last year at which the president, Mr. Peter Jones, instructed regional directors present on ways he thought they could avoid paying income tax to the Government of Canada on bonuses or on honorariums received? If this happened, it is reprehensible on the part of the government to ignore it. And why have such men as Gerry Yanover, legislative assistant to the Deputy Prime Minister (Mr. MacEachen), Paul Hellyer, journalist Max Keeping and numerous others severed their connections with this organization?

No, Mr. Speaker, the audit being conducted will not show the answer to these questions. It will be a whitewash covering up errors on the part of the government of a most serious nature, and perhaps to some extent a cover up which may have been, not dishonesty, but bad management on the part of Peter Jones, president of the Canadian Council of Christians and Jews.

I would also like to mention that the CBC taped an interview with me and William White of the Canadian Council of Christians and Jews which was scheduled for broadcasting on Monday, March 5, a week or two ago. This broadcast was never allowed on the air and I was offered the flimsiest excuses by the CBC as to why the broadcast did not go on as scheduled. Surely the Secretary of State, whose department is directly responsible for the CBC, had nothing to do with censorship of this kind, and I would ask him to give a full explanation to the House in this regard.

In the past few days a Mr. Dennis Flack has been in Ottawa on different occasions claiming to represent the Canadian Council of Christians and Jews. I might mention he is a former paid employee of the Liberal Party of Canada. I have been told by various sources, including members of parliament, that he has been attempting to call on both MPs and members of the cabinet. I understand, for example, that he did manage to see the Minister of State for Federal-Provincial Relations (Mr. Reid) who, incidentally, raised this whole subject on the order paper before I did a year or more ago and before he was made a minister, and it is interesting to note that his own government would not even answer him. I do not object to Mr. Flack exercising the democratic right of lobbying, but it brings up the point as to who paid his expenses when he was here. I believe the Secretary of State should investigate this as well.

Referring back to the reported meeting in Toronto last year where Mr. Jones allegedly instructed regional directors on how to avoid paying income tax, I wonder if the Secretary of State is willing to determine from the Department of National Revenue whether the Canadian Council of Christians and Jews issued T-4 slips for such sums of money before the required deadline of February 28. I have been told that such slips were not issued, and while this may or may not be correct, I certainly think it should be clarified.

In conclusion, I feel there is no justification for the government not to agree now, in the absence of the Secretary of State, to having whoever is representing him here in the House rise and state that the government has had a change of heart

and that all documents, correspondence and anything pertaining to the negotiations between the Canadian Council of Christians and Jews and the Government of Canada in regard to government grants be made public; in other words, that the original request which I made on the order paper be granted. Surely the Secretary of State, who is usually a reasonable man, or his representative will now rise and offer to clear the air by allowing the necessary documents to be made public without further delay and in the interests of all concerned.

Mr. Robert Daudlin (Parliamentary Secretary to Secretary of State): Mr. Speaker, I have listened with interest this afternoon to the hon. member for Leeds (Mr. Cossitt) in the hope that he might do something more than the left-handed attempt to extricate himself from the innuendo and subterfuge which he used to taint both the Canadian Council of Christians and Jews and the Department of the Secretary of State in this matter.

It would only be appropriate if I pointed out to members of the House the method whereby this matter has come forward. The hon. member opposite has become expert in raising this matter on a number of occasions by motions under Standing Order 43, implying thereby that something terrible was happening and making unsubstantiated and unsupported allegations that something terrible was happening, but not following them up with any question, notwithstanding the fact that following these motions under Standing Order 43 there were periods of weeks in which the hon. member had the occasion to follow up on these allegations and put questions. But no questions were put, leaving the innuendoes and the allegations to be picked up by the public at large with no opportunity being given to answer them.

I sat here on a number of occasions in the absence of my minister hoping and waiting for the hon. member to rise in his place and put his money where his mouth is by asking questions which I would have been prepared to answer. But the questions never came. What was left was innuendo and the suggestion that something must be wrong. Again today the hon. member stood in his place and suggested that all kinds of things must be happening because he has not had a response to his questions.

● (1720)

On January 24 I rose in my place and indicated that there would have to be substantial costs, time and effort beyond what should be reasonable to answer a question of this type. The hon. member indicated that he was not satisfied and implied that there was something to be whitewashed and covered up. Now the hon. member says that the article was wrong. I assume this is the first time he has said this. I have seen no other occasions. I have seen nothing in *Hansard*. I assume this is the first time the hon. member has stood up and indicated publicly in the House that in fact the newspaper article was wrong. He has left from the time of the newspaper article until now the impression that it was not wrong.

[Mr. Cossitt.]

Mr. Cossitt: Mr. Speaker, I rise on a question of privilege. I should like to point out that in this House I am not able to rise and correct newspapers. I can rise and correct *Hansard* but not newspapers.

Mr. Daudlin: Mr. Speaker, the hon. member makes a point. I could research for him and provide documentation where on a number of occasions members from both sides of the House have used an opportunity in the House to rise and indicate that they have been misquoted outside the House. Surely the hon. member is not suggesting that that has not been done or the opportunity does not exist. Had the hon. member used the opportunity of a question or a motion under Standing Order 43 to suggest the Canadian Council of Christians and Jews in fact was being blamed for something they ought not be blamed for as a result of a misquote, I am sure all members of the House would have been happy to see him rise. But that did not happen.

I find it passing strange, after having disclaimed that he had made any allegations of kickback, that the hon. member would say immediately that the Canadian Council of Christians and Jews should have been anxious to respond to all the allegations going around on the hill that there had been kickbacks. By whom were they made if not by the hon. member? Yet the hon. member said that he did not say it. In the same article he is quoted as supposedly trying to disclaim that he had said anything but "Of course, I don't have any information". The hon. member has not disclaimed that it was true.

I suggest this procedure has been used very effectively by the member: to have no information, to have no background knowledge, but to make unsubstantiated allegations and then suggest through the smokescreen that something terrible must be happening.

In anticipation of the audit showing that everything was on the up and up and correctly done, the hon. member has sown seeds to suggest the audit will bring forward nothing. Even if it comes forward and proves there was no malfeasance and nothing to support the innuendo left by the hon. member, he is sowing seeds to suggest it will prove nothing, that it was a whitewash.

I respectfully suggest that almost from a sense of paranoia the hon. member thinks that not only is the Secretary of State (Mr. Roberts) against him, but also his agencies because they did not choose to use an interview between himself and some other person. It is ludicrous.

I and other members of the House find it particularly distressing that any hon. member should—and I use the word carefully—carelessly and with a self-confessed total lack of truth in effect vilify members of the public service. The hon. member is disclaiming now that he intended that, but it was the effect. He talked about cause and effect. That was the effect of what he left in the open press. Also it is distressing that he should vilify members of the Canadian Council of Christians and Jews by making the allegations which he now disclaims.

On March 6 the Secretary of State told members that he had received a request by telegram from the Canadian Council of Christians and Jews, both protesting against the irresponsibility of these statements and asking that an independent audit be made of their activities so that it could be shown the allegations are baseless. It is on record that the council is doing what it can to dissociate itself from the type of allegations which have been made. In light of those requests and the immediate affirmative reaction by the Secretary of State, it should be obvious to all hon. members that the council is not only acting in good faith, but is satisfied its activities place it above this particularly odious type of suspicion. Of course, the audit will find that members of the Department of the Secretary of State at all times have carried on negotiations with the Canadian Council of Christians and Jews in an irreproachable manner. It will establish once and for all that the activities of the council are faultless regarding the use of government funds.

Despite the time and costs involved, research is being undertaken with all dispatch to provide ultimate proof that all parties are beyond reproach in this unfortunate incident. I should like to advise the hon. member that when the results are produced, and as they are being produced by the department for the independent audit, they will be made available to him.

They will be placed before the House, at which time I am satisfied all members will see they had just reason for having confidence not only in the Canadian Council of Christians and Jews but in the Secretary of State.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question.

Mr. Deputy Speaker: The question is upon motion No. 13 in the name of the hon. member for Leeds (Mr. Cossitt). Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

Mr. Cossitt: Mr. Speaker, I rise on a point of order. Perhaps it is not a point of order, but I would like to congratulate the government on showing one of the few honest moves it has made in the House by being willing to make public information which should have been made public months ago.

Mr. Deputy Speaker: That is not a point of order.

Mr. Daudlin: Mr. Speaker, seeing that this matter has been concluded, may I call it six o'clock?

Mr. Deputy Speaker: Is it agreed that we call it six o'clock?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Order, please. It being six o'clock, I do now leave the chair until eight o'clock tonight.

At 5.29 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

• (2010)

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Gillespie (for the Minister of Finance) that Bill C-38, to amend the Excise Tax Act, be read the second time and referred to a committee of the whole.

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I am surprised to hear an hon. member suggest that this bill should pass without further debate. He probably realizes, as do other members of the House, that more has been sneaked through in this bill than with most pieces of legislation. It is a complicated bill. The fact that we will deal with it in committee of the whole gives members an opportunity to deal with specific clauses. It is an omnibus type of bill that does a lot of things to a lot of people.

I want to deal with one clause tonight which concerns the implementation of an increased air transportation tax and ultimate conversion to user charges. We have here a classic example of the application of the user-pay concept without "user say". We have a situation where the airlines are being asked to pay for the services provided by the Department of Transport, some of which are required, some of which are extravagant, and some of which are not needed.

I do not think anyone would argue that airlines and passengers who use them should not pay for the realistic services and facilities provided. The government is asking for more than that, however. In effect it is asking the Canadian travelling public to pay for the mistakes of overbuilding and extravagance of many airport facilities in this country. The Air Transportation Association of Canada has argued for some time that they have not had any meaningful input with regard to the facilities they require. The Department of Transport builds without meaningful consultation and, as a result, there is a constant conflict of opinion about the services that are provided and the services that are needed, and who is to pay for them.

The Air Transport Association of Canada represents the vast majority of airlines in this country—85 per cent or 90 per

cent of them. It states that they are the victims in this process and, by virtue of the fact that they are the victims, they have no choice but to hand the cost on to the public. They contend that they are the captive tenants of a monopolistic landlord. In a bulletin dated February 22, referring to the air transportation tax and its conversion to a user charge, the association had this to say:

Airline passengers in Canada will shortly be paying a tax which will be typically $15 per flight—

That is an increase from the $8 we presently pay—almost 100 per cent.

The bulletin continues:

—following the government's budget announcement that it would increase the present tax by nearly 100 per cent. This unwarranted and abusive treatment of the airline traveller has taken place at the same time as the Task Force on Tourism has strongly recommended government measures to reduce the cost of travel.

In addition to the monstrous increase in the tax, the government has stated its intention to convert the tax to a user charge to be levied upon the air carriers under the Aeronautics Act. The estimated yield of the new tax rate is approximately $150 million annually.

The major air carriers affected have carefully considered the matter and state they are unable to absorb such an amount into their cost base or their market expectations, and are therefore firmly opposed to the planned conversion of the tax.

The carriers will not willingly be parties to a conversion device which would hide from parliament and the public the consequences of the government's reluctance to pare the costs of the DOT bureaucracy and instead contribute significantly to further increases in air travel costs.

In essence, that lays the groundwork for the points I wish to cover tonight. This government has been on a building binge and now it wants to implement a scheme of cost recovery. It will collect from the carrier, but in turn the carrier will collect from the passenger. I contend that users should not have to pay for the grandiose schemes, the Taj Mahals, the overbuilding, and art work, and all the unnecessary frills included in today's modern terminal buildings.

We hear a lot about restraint, Mr. Speaker, but we have to ask ourselves whether restraint has been a part of the over-all managerial plan of the Department of Transport. When we look at the estimates we have to answer in the negative. No fat has been trimmed in the estimates of the Department of Transport, particularly in connection with air transport administration. The deputy minister of transport took a great deal of pride in saying that the detrimental effects on the continuing operations of the department were minimal, that there was very little disruption to the job security of Transport Canada employees.

We all remember that in the restraint program it was proposed that $200 million be shaved off the operations of DOT, some $130 million of which shows in cutbacks in program expenditure and $70 million of which is incorporated in this legislation. This is the first time a suggested saving has led to the imposition of a further tax.

The department has reduced the person-years requirements by a mere 87 persons for air administration. Some 13,000 person-years are involved in the operations of the air administration of the Department of Transport so we have not seen any real evidence of cutbacks in the operations of the air administration branch of the Department of Transport. Again I ask why the travelling public should have to pay for the failure of the administration to make reasonable cutbacks. We know there has been a growing bureaucracy. We know many of the programs could have been shaved, but why should the travelling public be asked to pay for the mismanagement of the department?

I should like to quote some passages from the 100th Annual Report of the Auditor General of Canada to the House of Commons for the fiscal year ended March 31, 1978. It contains an in-depth audit of the Department of Transport, and at page 503 there is the following statement:

Our audits disclosed serious deficiencies in the systems and procedures the department used in acquiring capital assets in the projects we examined. Five of the projects did not achieve a reasonable standard of 'due regard for economy.'

This is the conclusion of a person this House holds in high regard, whose integrity cannot be questioned, and who has done a very objective and in-depth analysis of the situation. Perhaps it is no wonder that in a rather unique statement, certainly not something one would be very proud of, the deputy minister of transport suggested the Auditor General stick to auditing rather than criticizing the department. He said that he warned the Auditor General. J. J. Macdonell, against claiming too much management .erritory. Deputy Minister Sylvain Cloutier said the Auditor General runs the risk of turning himself into a management consultant or adviser, rather than sticking to the job he is supposed to do—auditing.

● (2020)

One of the duties given to the Auditor General by this House was a mandate to examine whether public funds were being spent on behalf of the Canadian people having due regard to economy and efficiency. The Auditor General is clearly within his mandate in making those kinds of judgments and assessments. Someone has to protect the public purse. Parliament has lost control; the Auditor General pointed that out. The government has lost control. Surely we need someone who can examine in an objective way whether the principles of accounting and good management are adhered to. It is unfortunate that a senior public servant would lash out at a man who is attempting to protect the public purse and ensure that some of the deficiencies within the management and control systems of the Government of Canada are upgraded, improved, and made more effective.

The Auditor General identified several other serious deficiencies within the Ministry of Transport. I refer here to the capital cost overruns which he cited. Here again are clear examples of the failure of the Ministry of Transport to provide a reasonable standard of due regard for economy and efficiency. The construction of the Calgary airport is one example. Its costs escalated from $57 million to $127 million, which is two and a half times the original amount. The comments which the Auditor General made confirm my remarks that there has not been meaningful consultation with the people who will be using such terminals. At page 506 of his report, in reference to

the Calgary International Airport the Auditor General stated as follows:

> The air carriers expressed strong reservations as to the immediate need for, and concern about the cost of, new terminal facilities.

This is a very important statement. The airlines were concerned about the cost of the new terminals and that they did not need that sort of facility at that time because they knew that eventually someone would have to pay for it.

At page 507 the Auditor General says:

> In our opinion, the Department of Transport did not give due regard to economy in the Calgary airport project.

The concerns expressed by the air carriers were not disclosed. The Auditor General goes on to say at page 507:

> The Department did not reach agreement with the air carriers on user-pay cost-recovery charges until just prior to the opening of the new terminal.

Further on in the same paragraph he says:

> In our view, reaching an agreement on cost-recovery charges prior to the start of construction was essential to ensure concern for economy and discourage any unjustified user demands.

The users, in this case the airlines, did not have an opportunity for meaningful input in the construction of that facility. The Auditor General examined the costs of the Calgary airport. I wonder what would have happened if he had examined the costs of the Mirabel airport which have escalated dramatically. It is costing now in the order of $1 million per week in terms of its operational deficit. I say to you, Mr. Speaker, that this is a clear example of mismanagement and irresponsibility on the part of government and of the people in charge at the Ministry of Transport. That is why we are being asked to approve a bill which will give MOT the authority literally to double the airport tax.

At the same time we are creating a huge airport revolving fund so that some of these white elephants can be hidden and so allow the spending spree to carry on. In that connection the Air Transport Association of Canada has this to say:

> This cross subsidizing group of 23 airports would be able to generate about $100 million yearly from its own cash flow. This would pay for most capital expansion, and make the group effectively independent of parliamentary appropriations.

They go on to talk about ministerial powers as follows:

> The Canadian commercial airline industry is alarmed and deeply concerned that the minister's power to make charges under the Aeronautics Act is not counterbalanced by any regulatory body.

It is not counterbalanced by any regulatory body because if there were a meaningful regulatory body wherein there could be the opportunity for the airlines, in this case the users, to have some meaningful input and negotiations to work out the type of user fees, and to have some input in determining what is the best kind of facility to build, and where it should be built, we would not have nearly the problem we have in terms of meeting the cost overruns and in terms of meeting operational deficits.

The Air Transport Association of Canada says it believes that legislative amendments should be considered that would subject the minister's powers to make charges to the same tests of fairness and reasonableness applied to air carriers' fare proposals. In other words, they are saying that they have to go before the CTC any time they want an increase in fares. There is a check or balance there. There is no check or balance here on the minister in charge, or on the bureaucracy who initiate the kind of user fees that they deem necessary with which to pay the bill.

We should look briefly at the impact of these increased charges. In addition to the impact of the airport user charge, which we have known it as, there are also some very significant increases being implemented at the same time over an eight-year period respecting landing fees, general terminal fees, the en route North Atlantic fees, and almost every service that is provided.

I have a breakdown of the cost of landing a Boeing 747 in Toronto. These figures are based on October 1, 1978, data. I put these figures on the record so hon. members can be apprised of what it costs to land a jumbo jet. The particular example I will give is of a transoceanic flight with a full passenger load. The costs include the en route North Atlantic fee in the amount of $130; the landing fee amounting to $1,596; the general terminal fee assessed at $267; security charge for 429 passengers at 20 cents per passenger amounting to $86; and the fuel throughput charge for 22,000 gallons at 1.5 cents per gallon, amounting to $330. Then we have a provincial fuel tax on 22,000 gallons at three cents per gallon, which amounts to $660, and a transportation tax, 429 passengers at $8, which amounts to $3,432. When you total all those together, and it does not take into consideration the rental of the airline space for counters and so on, it works out to $6,501 to land a 747 with 429 passengers aboard. Those are the rates effective October 1, 1978.

● (2030)

The impact of the transportation tax at $15 per person will change that $3,432 figure to $6,435. The immediate 30 per cent increase which is going to be imposed on an annual basis over an eight-year period when these new landing fees are going to be implemented, will increase that $6,500 figure to $9,604. Those are the kinds of increases about which we are talking.

The principal element in the plan is essentially to allow domestic landing fees and related fees to rise at a rate of 30 per cent on an annual basis to about six times their present level over an eight-year period. That is the goal of the department. We are looking at something that is very significant.

I can point out as well that the general terminal fee will be increased at the rate of 25 per cent effective April 1, 1979, 50 per cent effective October 1, 1979, and 100 per cent effective April 1, 1980. Therefore we will have a doubling of the terminal fees which will parallel this particular measure. At a time when we are talking about cheaper air fares in this country with the airlines being asked to trim the frills, cut the fat, and provide a more efficient operation, we have some of the basic ingredients of the cost of air travel provided by the government being increased dramatically.

I talked about the commercial passenger and the impact that this measure will have upon the traveller who lands in Toronto, Montreal, Edmonton or Calgary. There is another impact which I am sure the government and the minister have overlooked. Air travel in some areas of the country is the only mode of travel. I talk here particularly about the north.

I have a letter from the Yellowknife Chamber of Commerce. In addition to having an exchange of correspondence with me, I am sure they directed the same correspondence to the minister. I quote from their letter of December 13:

As you are aware, the majority of Northwest Territories communities are served solely by air, and because of this the federal tax on air transportation is unfair to Northwest Territories residents. We often have no choice but to fly, and are therefore stuck with a tax that we have no choice but to pay. At least in southern centres this tax is "voluntary"—one need not pay the tax if an alternate to air transport is used.

At present, the air transportation tax from Northwest Territories airports is gaining approximately $480,000 per year for the federal treasury, and a total of $900,000 per year can be expected after the proposed increase. This must surely represent the highest per capita revenue from any province or territory for this tax—largely because we have no choice but to fly.

Because this tax increases the cost of an essential service in the Northwest Territories, and is therefore unfair, the Yellowknife Chamber of Commerce strongly urges the repeal of the air transportation tax in the Northwest Territories.

I thank you for your consideration of this matter and hope that we can look forward to your interceding on our behalf to have this tax removed.

Yours truly,
Fred Richinger

I have, as well, a letter from the Northwest Territories Association of Municipalities which says essentially the same thing. I quote:

Eighty-two per cent of our population and ninety per cent of our municipalities have no choice but to use aircraft for year round access to communities other than their own.

The north has received little benefit (proportionate to our geographic size) to compare with the federal subsidies enjoyed by Canada's transportation network; i.e. seaways, highways, canals, railways, airlines, shipbuilding and airport facilities.

This form of tax is regressive in that it applies to all users regardless of their means. In Canada's north air travel is not a luxury but the only means of transportation available to the majority of us.

That is essentially the thrust and the feeling of those who will be faced with this abusive tax. It will be more harsh for them because they have no alternate form of transportation. Travel by air is certainly not a luxury as far as they are concerned.

I said at the outset that we are concerned about our tourist trade deficit. The Air Transport Association of Canada made reference to that in their submissions which they have made public. I wish to place on record some quotations from the government's own report by the sector task force on the Canadian tourist industry. We all know there is a huge deficit in our tourist trade. Many attempts are being made to try to turn that deficit around.

The Minister of Industry, Trade and Commerce (Mr. Horner) and other federal government departments are devising ways and means and coming up with all sorts of schemes to attract more tourist trade to Canada and to prevent our tourist dollars flowing outside the country. On the other hand we have the Minister of Finance (Mr. Chrétien) and the Department of Transport imposing their user-pay program which is generally going to militate against that desire. It really is an uncoordinated approach.

It is not the first time this government has adopted that kind of stance. It has happened many times. The Department of Regional Economic Expansion is devoted to overcoming regional economic disparity. At the same time the Ministry of Transport is imposing user-pay because it does not feel transportation is an instrument for overcoming regional economic disparities. The two departments are working against one another. It is time the government got its act together.

I will quote from this report because it is very significant. If the government followed the advice that its own study has revealed, it may be able to get its act together and work toward reversing or at least abating the current tourist trade deficit. I quote from page 28 of the report:

Apropos the Canadian Transport Commission, the task force recommends that existing CTC policies should be reviewed to ensure that, whilst these regulations govern all air travel within, to and from Canada, prominent importance is given to air transport as a vehicle to increase and improve tourism travel to and within Canada.

No one would argue with that, I am sure.

Discussions should be held with all interested parties concerned with those regulations of a potentially restrictive nature.

● (2040)

Then we get into the user-pay policy and the airport user tax. I quote again:

The airport user-pay policy makes air transportation in Canada non-competitive with that of the United States and is detrimental to Canadian tourism development.

Nothing can be clearer than that, and this report was published before the minister brought down his budget.

I quote again:

The industry is in general agreement with the principle of the necessary functional requirements being paid for by users whenever economically justifiable. However, governments should assume all costs related to social and/or regional development of facilities. Airports can be classified as full-recovery, partial-recovery or nil-recovery.

These are important recommendations. Living as we do in a country which is widespread and sparsely populated, we should consider them very carefully. If that recommendation were adopted we could expect a greater measure of fairness and equity, particularly for people who reside in isolated areas such as the north.

I quote again:

Anything in excess of necessary functional requirements should not be paid for by the users, for example, art work. The users must have a very strong voice in what are defined as functional requirements. All users, including carriers, concessionaires and the travelling public, as well as the general public, should share the burden of paying for functional requirements. The existing CTC policy should be reviewed to ensure that while the regulations govern all air travel within, to and from Canada, prominent importance is given to air transport as a vehicle to increase and improve tourism travel to and within Canada. Discussions

should be held with all interested parties concerned with those regulations which are of a potentially restrictive nature.

Sir, that is a good summary of the situation we are now facing. I repeat, users of airport services should be prepared to pay their fair share. They should be prepared to pay for the services needed to provide efficient and safe air transportation. But they should not be asked to pay for the government's bungling, mismanagement, waste and incompetence. Nor should the travelling public be asked to pay for the expensive tastes of the ministry and the bureaucrats.

I submit that this tax imposes a penalty which will hurt the tourist industry and the Canadian traveller. This detrimental approach of attempting total cost recovery should be thoroughly re-examined and this measure should be withdrawn.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, the bill before the House tonight covers a number of important items. The hon. member for Vegreville (Mr. Mazankowski) has talked about one of them, namely, the airport tax. I should like the minister to give us a fuller explanation with regard to the manufacturing sales tax cut.

As we all know, the tax was cut from 12 per cent to 9 per cent in the budget last November. A lot of optimism was expressed at the time that the decrease would be passed on to the consumer. The Minister of Consumer and Corporate Affairs (Mr. Allmand) has told us many times that his department is monitoring this situation, that CSIP was monitoring it, that the AIB was monitoring it, and that all would be well. As recently as a few days ago, however, the minister told us that his study was not yet complete, that the monitoring process was still continuing. I should like him to tell us tonight what kind of investigation is being carried out and whether it is, in fact, nearing completion. Who is being surveyed? Will the minister undertake to table the report in the House when he receives it, if there is time before an election, so that the Canadian people may see it?

I ask this because when it was introduced last fall the sales tax cut was worth about $1 billion to manufacturing companies and a great deal of concern has been expressed by consumer associations and related groups that it is not being passed on. I should like to quote from an article which appeared in the Montreal *Gazette* on November 24 just after the budget was introduced. Some Montreal retailers were quoted as saying they doubted very much whether the cut would be passed on—they believed it would be absorbed in the pricing structure between the wholesaler and the consumer.

Montreal retailers say it is doubtful consumers will see lower prices in the wake of last week's cut to 9 per cent from 12 per cent in the federal sales tax.

The cut, a part of Finance Minister Jean Chrétien's budget, affects the tax that manufacturers pay to the government as they sell their goods at the factory gate—usually to a wholesaler.

By the time the retailer gets the goods, the federal sales tax is included in the price. So retailers say they would lose money if they cut prices on inventory purchased before Chrétien's budget announcement.

They add they would only cut prices if their competitors did so and forced them to match prices.

So retailers in Montreal were suggesting that consumers might not reap the benefit which was intended for them by the Minister of Finance (Mr. Chrétien).

There are other statistics which lead one to suspect that the sales tax cut is not being passed on. A couple of days ago the *Globe and Mail* said corporate profits had gone up by 46 per cent in the last week of 1978. We are not against people making a fair profit, Mr. Speaker, but we cannot help wondering whether the reason, or part of the reason, for this tremendous increase in profits might not have been companies retaining the advantage of the tax cut. Then again, a few days ago the industrial price index for manufacturing was released. The increase was 11 per cent or a little more, the highest recorded in a number of years. That figure is for February and it is very high, especially when one considers that inventories must have been largely depleted by February, that the sales tax must by then have been removed from those inventories to the extent of 3 per cent, and that the reduction should have been reflected in the selling price.

In my opinion the Minister of Finance has been a lot stronger than the Minister of Consumer and Corporate Affairs in trying to defend the validity of the cut. The Minister of Consumer and Corporate Affairs said about a week ago that the CPI showed that in January the price of clothing had dropped, or, if it had not dropped, that it had levelled off. This, he indicated, was evidence that the cut was fulfilling its purpose. I pointed out to the minister that the manufacturing sales tax does not apply to clothing, food, drugs or heating fuel, so he had to think of another argument. When the minister speaks tonight I would like him to give us a few more details about what evidence he has that this sales tax cut is being passed on to the consumer. That is really all I am asking.

● (2050)

In his budget speech last November the minister said:

I estimate that the cut in the sales tax will reduce the increase in the consumer price index by one half of one per cent.

Back in November the consumer price index was at an annual rate of 8.7 per cent. The latest increase in the consumer price index, which was February over February, was some 9.2 per cent. There has been an increase of one half of one per cent in the consumer price index since the minister reduced the sales tax. On the surface it appears that the sales tax has not been passed on. I admit to the minister that all the arguments I am giving him are superficial, general, and global, because we in the opposition do not have at our disposal all the facilities, money and staff required to investigate properly whether the sales tax cut has been passed on to the consumer as it should have been. That is why I want to know what kind of study is under way, who is being surveyed, what the evidence is, and what proof the government has that the sales tax cut is being passed on to the consumer as it should be. That is the first and principal point I wanted to make in the debate tonight.

As has been said by the hon. member for Edmonton West (Mr. Lambert) and by the hon. member for Vegreville, this

bill includes a number of items besides the sales tax cut, which is by far the major item in the bill. There is an increase in the airport tax. People flying within Canada and outside will find that the transportation tax will go up to 15 per cent as of April 1. Like the hon. member for Vegreville, I do not think that type of tax is proper. It is a user-pay tax. People using airport facilities have to pay a tax when they take flights regardless of their ability to pay.

The ways and means bill before the House today includes a number of other measures. It includes the elimination of a special tax on private aeroplanes, the elimination of a tax on motorcycles, and the elimination of a tax on boat motors. It deals with non-commercial aviation fuel.

The bill also includes excise tax schedules for diesel fuel and gasoline, measurements of which are now being converted from the old imperial system to metric. It includes other things which I think are perhaps inconsequential. With the exception of the air transportation tax I think they are really not too important to the average Canadian, but things like the change to the metric system should be scrutinized closely in order to make sure that companies do not take advantage of the switch from the gallon to the litre in order to up their prices by a penny or a fraction of a penny.

I think some items in this bill would cause hardship for a number of people. One specific item has to do with storm doors and windows, which previously were exempted from tax when the government reduced the tax on building materials some time ago from 12 per cent to 5 per cent. The tax on storm doors and windows was removed, and the bill before us re-imposes a 5 per cent tax on storm doors and windows.

[*Translation*]

Mr. Speaker, I have here a telegram sent to the Minister of Finance (Mr. Chrétien), which says:

The Quebec Provincial Wood Industry Association, representing the interest of the 450 door and window manufacturers of Quebec, strongly protests against the imposition of the 5 per cent tax on materials exempted since 1975.

Mr. Speaker, I must say that the government's decision is unfair. There has been no consultation with the firms involved and no reason has been advanced to justify that change. Therefore, Mr. Speaker, I hope that the government will go back on its decision and abolish the tax on windows and doors.

[*English*]

A number of industries, some of them being small companies, could be affected in a very negative way by this bill.

There is only one other point I want to make in my brief remarks. I think it is very important. Within the bill is a form of closure. I believe that was referred to by one hon. member who spoke previously in the debate. Clause 16(4) at page 12 of Bill C-38 states:

A motion taken up and considered in accordance with subsection (3) shall be debated without interruption for not more than five hours and, on the conclusion of such debate or at the expiry of the fifth such hour, the Speaker of the House of Commons or the Senate, as the case may be, shall forthwith, without further debate or amendment, put every question necessary for the disposal of the motion.

[Mr. Nystrom.]

As I understand it, this refers to various orders in council which are referred to in clause 15 and in the schedules on pages 11 and 12 of the bill. I hope the minister will be prepared to answer questions in the committee of the whole and to tell us why this form of closure is included in the bill.

Mr. Paproski: Again?

Mr. Nystrom: Again. It is very similar to the closure in the energy bill we debated a few days ago. The hon. member for Northumberland-Durham (Mr. Lawrence) moved a motion to remove that terrible provision from that bill, and we supported that. This bill also imposes automatic closure. We will be allowed only five hour debates on motions to implement certain things. Without really ragging the puck, I hope the Minister of Finance will respond to that matter, either when he speaks later or certainly during the committee of the whole stage.

My main point is that I want to see some evidence that the 12 per cent sales tax on building materials which was reduced to 9 per cent—which amounts to about $1 billion—has been passed on to the consumer. The government says it is studying that. I want to know what kind of study it is and who is being surveyed. I want to know what kind of evidence there is that that money is indeed being passed on.

The second thing I want to know is why the government is imposing this additional tax on people using our airports. Third, I want some explanation as to why the government is legislating closure in Bill C-38.

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I have listened carefully to the hon. member for Vegreville (Mr. Mazankowski) and the hon. member for Yorkton-Melville (Mr. Nystrom), and I concur in the statements made by both those hon. members. I hope not to get into the points they raised because they were very well made by both hon. members. I will attempt to confine my remarks to the parts of the bill which deal with energy, cars and trucks.

This bill is a result of the budget of November, some four and a half months ago, and this is the first time we have debated it. We see that the most important part of the bill, the reduction of the sales tax, is something that the government cannot explain. The government is unable to tell us whether the benefits are getting down to the people whom the sales tax cuts are supposed to benefit, that is, the consumers. Members of the House have asked the Minister of Consumer and Corporate Affairs (Mr. Allmand) whether these sales tax cuts will get down to the consumers, and he told us we should have confidence in the marketplace. It is the government that has set down these policies and it is the government that should be accountable for them and responsible for how these policies operate.

● (2100)

I agree with the hon. member for Yorkton-Melville that the Minister of Finance (Mr. Chrétien) must respond in the House on his policies. When he states that the consumer price index

should be down by half a point because of the cut in the sales tax, he should tell us whether or not that is the case and whether he is making the studies to show that corporations, which are in the business of competing and are also in the business of making profits, are passing these cuts down to the people who should benefit from them.

I have had an ongoing discussion with the Minister of Finance regarding solar equipment and whether he would be in favour of granting a tax credit for putting it in place so that people could take advantage of it. I see in the bill that the excise tax on solar water heaters has been removed. This is a starting point, although a very small one, and we are concerned about the conservation of energy in this nation. The Minister of Energy, Mines and Resources (Mr. Gillespie) has been telling us all last week that a crisis would be imminent if another country were to cut off oil supplies to Canada, and that the government should be concerned about alternate forms of energy and how they can be put in place. One of those alternate forms is solar water heaters. The Parliamentary Secretary to the Minister of Finance (Mr. Martin) stated that solar heat is one of the most promising areas of energy conservation in this country, and I agree with him.

In the government document entitled "Energy Futures for Canadians" the following statement is made:

> The penetration of renewable resources to the extent shown would be a noteworthy accomplishment since most of the renewables lack any significant organizational, financial or market base at the present time. To establish so large a market for the renewables, individually and collectively, in so short a time presents Canadians with a major challenge, but one which has a high priority. By the year 2000, renewables would be contributing as much as imported oil at that time, or more than four times the energy currently supplied by nuclear power in Canada—a prodigious undertaking in 20 years.

These are very fine statements, but that is all they are, statements, because with the present policies in place there is absolutely no way we can achieve that use of renewables which is stated in government policy to be likely to take place by the year 2000. What we need is a policy which will encourage people to use solar equipment.

For example, a collector for a solar water heater costs $800 or $900, depending on whether you place the collector on your roof or on a pedestal. Then you must add pumps or controls, and this will add another $600 to the cost, making it around $1,500. Then you have to instal these facilities. Perhaps a number of people would be able to instal them themselves, but most would not, and when it is done totally by the commercial people it adds another $500 to the cost of the installation. So we are looking at an investment of some $2,000.

The government has removed the excise tax on equipment which, I suppose, would come from the United States and be developed here in Canada. That excise tax may save the consumer some $30, $40 or $50 at the most, but that is not a sufficient incentive for him to instal a solar water heater in his home. What we need is a tax credit which I have announced in the House to be the policy of the Progressive Conservative party. I fully believe that if the government were prepared to offer such a tax credit we would have a sufficient usage of renewables to reach the goals announced in the government's study, and thus would save a good deal of oil and gas which are becoming more and more expensive.

Also, as regards solar water heaters, we find that not all the equipment is made here in Canada. For example, the heat exchanger must be brought in from the United States. The reason for that is that the Canadian market is not sufficiently significant for Canadian manufacturers to go into the business of manufacturing these heat exchangers. The only way in which that could come about would be if greater consumption of those products were encouraged in Canada. As I said, in my opinion there is only one way to do that. Also, we must have a co-ordinated policy to develop more high technology necessary to develop the renewables, particularly the solar panels and collectors, so that we set down policies which encourage Canadian manufacturers to take advantage of them.

I was interested in the figures which showed that our higher technology and manufactured imports in 1978 amounted to some $29.3 billion. We have exported higher technology equipment worth $20 billion. That means we had a deficit in 1978 in the higher technology products of some $9.1 billion. I think that speaks for itself. It means that the government has a long way to go to encourage more research in this country to develop the kind of technology which must be made available to the consumers of those products. It is necessary if we are to promote such things as solar water heaters in our homes.

As I understand it, the excise tax is a tax on luxuries. I do not want to get back to the subject of renewables, but the hon. member for Grenville-Carleton (Mr. Baker) pointed out that what the government is doing through the bill is to designate transportation as a luxury because it is putting a tax on it. As has been stated by the Minister of Industry, Trade and Commerce (Mr. Horner), we have a deficit of some $1.7 billion in the tourist trade in this nation. Surely he must have something to say about the user-pay concept that is in the bill and the increase in the landing tax. I would be interested to hear the Minister of Finance explain the reasoning behind that provision in view of the fact that we are concerned about decreasing our tourist deficit.

I referred previously to research and development which are so necessary to increase some of the high technology items needed in this country. Some months ago the Minister of Energy, Mines and Resources announced this great program called PUSH which was to assist in the purchase and use of solar energy items, and I assumed that this would include solar water heaters in government buildings. He announced that in the years 1979 to 1984 he would make available some $125 million for the government to purchase solar energy and renewable energy items for government buildings. We find that even though the minister is still bragging about this program the department has now decided that the first $25 million, which should have been made available this year, will be only $1.5 million. We will be watching very closely whether the department is serious about this program or whether it is just another big announcement, using big figures, so that the people of this country will be made to believe that something is

being done to help in these higher technology areas. But, in fact, nothing is happening.

● (2110)

When we talk about the use of energy and the conservation of it, we find that the minister removed the tax on solar water heaters and in the next clause he added on the tax to storm windows and doors. Surely this makes no sense. I cannot understand why the minister would do that. It cannot amount to very much money. I know people in the country are concerned about the conservation of energy in their homes and that they will be buying those materials anyway. It is beyond me why the department and the minister would attempt to save energy by removing a tax in one clause and adding it on again in the next. I want to question the minister on that in committee.

The last area I should like to speak about is the removal of the federal sales tax on trucks and cars. This tax was placed in a budget some years ago, and now the minister has decided that it was insignificant to the saving of energy and that it should be removed. We are all purchasers of new cars and trucks, and we welcome that move. But by announcing it one night, the minister has placed a number of dealers in situations where their inventories on hand are open to $200 to $300 per car, and more per truck. Dealers have had to advance sales on their inventories, and now they find the price of those cars and trucks must come down because consumers are demanding it. Thus they are caught with these inventories. If a dealer had 30 or 40 cars on his lot, which many of them did at the time of the budget, this could amount to anywhere from $5,000 to $10,000 which he must absorb himself. I am referring to an average small dealer.

Many dealers wrote to me and indicated that the tax cut should have been made retroactive so that they would not have to absorb it. They are the whim of the Minister of Finance as he adds on taxes and takes taxes off. No one seems to worry about the small businessman who must absorb these losses, or perhaps losses of sales because he is incapable of absorbing them. I have received a number of letters from dealers in my constituency. I know members on both sides of the House of Commons have received those letters. It is another question the Minister of Finance should answer when asked in committee. He should be asked whether he is prepared to deal with this loss for small businessmen.

There are a number of items in this bill which affect small businesses and individuals. We will be very interested in the answers the minister brings forward in committee.

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, it is interesting that it is over four months since the budget of November 16. One must spend quite a bit of time refreshing one's memory on what was said at the time. It is interesting it took the minister over four months to get his bills before the House. I know the minister is a senior one in some people's books. We look to him to correct the errors we find in certain areas of legislation when ministers such as the Minister of National Revenue (Mr. Abbott) are powerless to give people the relief they need in certain cases.

Essentially Bill C-38 covers three major areas: the air transportation tax, the gasoline tax, and the sales tax. I noted especially that the minister said in his budget speech he would repeal the special 10 per cent excise tax on marine engines over 20 horsepower and private aircraft, and the 5 per cent tax on motorcycles. He said that they were having an adverse economic effect. Also he indicated that the contribution of these taxes to energy conservation has been minimal. I guess the minister finally found out what taxpayers were telling members of parliament, at least on this side of the House. Regardless of the taxing policies of the Liberal government, people require boats which have more than 20 horsepower engines. One cannot move a ship which weighs hundreds of tons with a tiny motor. One requires an acceptable size motor. I suppose efficiency is related to the relative size of the motor and the vessel being moved. It should not have come as any surprise to the minister that the contribution of these taxes to energy conservation had been minimal.

As far as the tax on private aircraft is concerned, perhaps the minister realized finally that there was quite a business being done in Canada in private aircraft, and that quite a number of Canadians were being put at an extreme disadvantage whether they were flying for pleasure or not. I suggest the minister found another problem which he did not tell us about in his speech, that is, not only was it the adverse economic effects and the minimum contribution to conservation, but also the government was having trouble with collections and the enforcement of collection of some of those taxes. There is nothing like tax avoidance to make the government realize that perhaps it was not a good idea to have such a tax in the first place.

We all applauded the reduction in the general sales tax from 12 per cent to 9 per cent. I noticed with interest that the tax is referred to in several places in the bill as a consumption tax. Every time the subject of consumption tax has come up in various debates, it is interesting the government was always quick to point out that consumption taxes are regressive ones which should not be used. The government pointed out that they are hidden taxes, that they weigh hardest on people in the lowest income brackets, and that somehow they are wicked, regressive, and should be avoided.

Everyone realizes that there is retail sales tax on every purchase made in Canada. It is the tax everyone can see when he makes purchases. It is only when the government is making a change in a tax such as this, and when this kind of debate takes place, that Canadian consumers realize the 9 per cent consumption tax is included in the retail price before they pay the retail tax.

● (2120)

Even though the government says that consumption taxes are not very good because they are hidden, it is fair for us to note that every once in a while this government does not mind collecting hidden taxes, which in this case were 12 per cent

and are now 9 per cent. If things are collated we know what kind of effect this hidden tax has on the tax of everything we buy. We expected when this tax was reduced to 9 per cent that there would be some sort of reduction in the rate of inflation or the rate of increase in the prices of goods that we buy.

Of course no consideration was given to the inventories on hand when this reduction was introduced. There were countless millions and billions of dollars in inventory around the country on which the tax had already been paid, because the nature of the tax is such that it is paid at the manufacturing level. This inventory had to be sold, and there was no immediate reduction for those business people who had old stock. This had the effect of delaying the benefit to consumers until that inventory was used up.

I hope there is some evidence of a slight reduction in the cost of goods which consumers buy, but I have not heard anybody exclaiming, "Oh, isn't that nice, this item is 3 per cent less than what it cost when I bought it a week ago or a month ago." Certainly there has been no evidence from the monthly bulletins put out by StatsCanada that there has been a reduction in the rate increase in the price of goods. I hope that we will see something along this line soon.

There is another aspect of the consumption tax which I wanted to mention briefly. It is an aspect which the government applies through the Income Tax Act, and it does not look upon it as a consumption tax. I am referring to the Registered Retirement Savings Plan. I know that we are not debating the Income Tax Act, but I would like to make a comparison between what the government calls an income tax and what is actually a consumption tax.

If a taxpayer in Canada finds that he does not need to spend all of his disposable income in the year in which he receives it, he may contribute it to a Registered Retirement Savings Plan. Within the limits set out in the plan, the taxpayers' contributions are deductible when calculating his or her income tax for that year. The amount which is contributed to the RRSP, together with the interest, is exempt from tax during the time it is a registered plan. When the taxpayer reaches the age of 71 the plan must be deregistered, or it may be done earlier should the taxpayer decide that he needs the money for consumption purposes. When his or her contributions are taken out of the plan, for the purposes of income tax it is considered income for the year in which the plan is collapsed.

Because this plan is covered by the Income Tax Act, the government looks upon it as an income tax. I suggest, however, that in fact this is simply another kind of consumption tax because a consumption tax is levied at the time the item, whatever it may be, is being consumed. Therefore, if this money is taxed when the taxpayer decides that he needs the money for consumption purposes, I suggest that it is in fact a consumption tax, regardless of what the government would like to call it.

There is a very dangerous aspect to this Bill C-38. It is a reference which I have found in several places, and particularly in some of the motions shown in the budget papers. Of course, those motions have been inserted in the bill, but I think it is easier to find them in the budget papers. For instance, motion No. 5 reads:

> The said act be amended to specify the time period within which any amount owing to Her Majesty . . . shall be payable—

Motion No. 15 reads:

> Subsection 31(2) of the said act be amended to provide that the governor in council, on the joint recommendation of the Minister of Finance and the Minister of National Revenue—

Suffice it to say, Mr. Speaker, that there are several such examples in the motions. As a matter of fact, here is another one. Motion No. 7 reads:

> Authority . . . for the Minister of National Revenue to pay such persons as the governor in council may by regulation prescribe—

What we are finding again is more government legislation by regulation rather than by an act of this parliament. I cannot recall the numbers, but it seems to me that in 1978 there were well over 3,000 orders in council issued by the government. Those orders have the same effect as legislation, but they are not subject to the scrutiny of the House or the other place. Such legislation, which gives to the cabinet, the government and the governor in council, the powers contained in it, may be used by the government any number of times and may have far-reaching effects on the taxpayers and the people of Canada. It is a very serious trend.

During the same period that the Government of Canada was passing, I believe, 3,360 orders in council, the government of Great Britain for the same period passed less than 24 orders in council, and they have the courtesy to ratify their orders later by bringing them into the House.

Bill C-38 is not a very big bill. It seeks only to put into legislation about a page of the minister's budget speech. Yet there are at least three instances where the governor in council is authorized to make regulations over which we, the members who are debating the passing of this bill, will have no say.

I have heard this argument put forth in this House for all the years in which I have been here. It is a situation that is getting worse, not better. More and more power is being taken away from this House in this way and through other means. We no longer find, for instance, that the major announcements are made by the Prime Minister (Mr. Trudeau) in the House. The Prime Minister usually decides that other fora are more suitable for his purposes. In fact yesterday we were treated to the first speech by the Prime Minister in this House for five months. The Prime Minister is expected to be just that, the Prime Minister, and to give this House the benefit of his views.

● (2130)

I suppose in the past there has been some justification for the Prime Minister going elsewhere because he might think his message would be more readily disseminated. For the last year and one half, since the introduction of live television broadcasting of the proceedings, and especially in the last two weeks or so when they have been broadcast across the country by satellite, there could be no excuse for him further deteriorating the powers of this House by making major announcements outside it. I am getting a little off the topic, Mr. Speaker, but

when I think about what legislation like this is doing to the powers of the House, I have to reflect on what is happening through other forms of erosion.

I have covered the areas I wanted to comment on briefly before the bill goes to committee. The hon. member for Vegreville (Mr. Mazankowski) covered the matter of the increase in the air transportation tax on passenger travel. I hope a serious examination of the effects of the reduction of the sales tax will be made in committee to see whether changes can be made. I hope there will also be close examination of the ever-increasing powers granted to the governor in council by legislation such as this which leaves many important decisions outside the legislation and in the hands of a small group of Canadians, through order in council, decisions which will have an effect on all Canadians.

Some hon. Members: Hear, hear!

Mr. Bob Kaplan (York Centre): Mr. Speaker, I have listened with great interest to the other speakers on this bill. They have had very little to say. I have very little to say either, but since that has not deterred them it will not deter me and I shall make my few remarks.

The hon. member for Vancouver Quadra (Mr. Clarke) addressed some of the broader issues of sales tax and commodity taxes. I know he is partly motivated in that by the responsibilities he shares with me on the finance committee and the time he spent in the last session looking into the question of commodity tax reform. He made the observation, with which no one can argue, that the commodity taxes are hidden taxes and inflationary taxes, in the sense that they make prices higher than they would otherwise be. The other side of that coin is that without the commodity tax system in Canada, income taxes would have to be raised by something like 28 per cent to produce the same amount of revenue for the government. That would have an effect not necessarily as directly inflationary but in its own way it would be an unacceptable alternative. Although it is inflationary it seems to be an unavoidable tax and one that cannot be readily converted to extra points in the Income Tax Act.

I was very happy to see that the Minister of Finance (Mr. Chrétien) was able to reduce the sales tax by 3 per cent in this bill, a substantial reduction, which had some immediate impact on retails prices. We know that the over-all impact of a reduction of federal sales tax does not show as readily as a reduction in the retail sales tax which is added to the price of goods at the consumer level. It is obvious that in a competitive market the reduction in the federal sales tax will have some impact on prices. Indeed, the consumer price index reports in the months following the introduction of this measure showed a considerable impact. Some of the movement of prices in the months following this tax change, which have been lower than they would otherwise be, was indicated by Statistics Canada and other sources to be attributable in part to the reduction of the federal sales tax.

The hon. member for Vancouver Quadra expressed some regret about the length of time it takes for this parliament to deal with budget legislation. I want to second that. I agree it is regrettable that it takes so long to put budget bills through. It is true they begin to take effect on budget night, but unfortunately certain sectors in the community, private citizens and corporations, are reluctant to act on resolutions that have not become legislation approved by parliament. This problem has become particularly acute since the Department of National Revenue began to increase the amount of assistance offered to taxpayers in the way of interpretation of the impact of legislation and proposed transactions on taxpayers.

Proposals were recently approved by parliament which permit taxpayers to present a proposed transaction to officials of the Department of National Revenue and receive some sort of ruling for their comfort in entering into the proposed transaction. When a budget like this comes along offering many good things to stimulate economic growth, taxpayers have sought the guidance of a ruling from the Department of National Revenue but have found that the department is not in a position to give them the comfort letter or ruling on a proposed transaction until the legislation is passed.

In my constituency a company wanted to buy equipment to do research and development work so that it could take advantage of the incresed incentives offered. It asked the Department of National Revenue for a ruling and was told, quite rightly, that the department does not rule on resolutions, only on legislation. Officials of the department cannot take it for granted that this bill will be passed.

Another case was referred to me today by a chartered accountant. His client proposed to purchase some Dome Petroleum warrants or participation shares in the Beaufort Sea project. These interests were made very attractive under the budget bills, and taxpayers interested in taking advantage of them are entitled to some assurance that when they put their money on the table the promised tax credits will be forthcoming. The Department of National Revenue can give no such assurance until the House deals with these budget bills.

I should like to see more respect on all sides of the House for the impact this problem has on corporations and individuals. It is certainly not a government responsibility to get legislation out of the House; it is a government responsibility to bring legislation into the House. Any member of the House of any party can claim responsibility or be given responsibility for failure to get the legislation out.

● (2140)

I have been urging that a method be found for bringing budget bill legislation to a head, because all parties agree that economic uncertainty is present in the Canadian economy. On this side of the House we feel that the economic uncertainty that exists is not totally justified. The performance of the economy has been good and businessmen are entitled to have a justifiable measure of confidence. The incentives that are offered in this bill do not have their fullest impact until the measures become law, and who knows when that will be?

There are rumours that there may be an election in the weeks or months ahead. If these budget bills do not become

law before the election, will they become law after the election? I say the government will be returned and its commitment to this legislation will continue. One cannot blame a businessman ready to put his money on the table for wanting the certainty of an act of legislation to rely on so that he can invest with certainty and apply to the Minister of National Revenue (Mr. Abbott) and to his officials for the kind of ruling that this government has recently begun to make available to taxpayers with very good effect.

Let me turn to some other provisions. I have already referred to the welcome reduction in the sales tax from 12 per cent to nine per cent. This is very far from the kind of reform that the government has under consideration for the commodity tax of Canada.

The finance committee, which I referred to earlier, has already spent some time in the past session looking at the fundamental problems that exist with the excise and sales taxes in Canada. In particular we have looked at the arbitrariness of the present sales tax act which is 56 years old. It has none of the kinds of provisions such as rights of appeal, rights of review or of statutory determinations which exist in more contemporary legislation. I know all members of this House would welcome legislation to update the Sales Tax Act and the Excise Tax Act. They may remain inflationary, as the hon. member indicates, but they can be much fairer and clearer than they are. They can be designed in a way to be much more helpful and stimulatory to the taxpayers of this country, in their operations in the economy.

I urge the House to deal rapidly with this legislation and to try to get as many of the budget bills enacted as possible. None of us in this House—however much we might try to exploit the existing atmosphere of uncertainty in some parts of this country—want that atmosphere to be perpetuated by the activities of members of parliament and by political partisanship.

I close my remarks by urging members of parliament to come to terms with this important bill. I ask them to try, if possible, in the weeks ahead to pass it, to deliver it into the hands of the economic community, and to deliver to the Minister of National Revenue the means to begin to issue definitive comfort letters and rulings to interested participants in the economic life of Canada.

Mr. Arnold Malone (Battle River): Mr. Speaker, it is a pleasure to take part in this debate on Bill C-38 and to have the opportunity to give a critique and an analysis of this particular legislation which is now before us. I hear government members applauding the bill. It is quite normal for them to want to support their own piece of legislation, but I want to say that it is the role of the opposition to define, in the concept of the British parliament, and to give a critique of that legislation. My role tonight is to point out some of the specific weaknesses in the bill and if the government wishes it can as a result, make some amendments, and improve the bill.

I wish to comment on a remark made by the hon. member for York Centre (Mr. Kaplan) who just preceded me. I may not be quoting him directly but I believe he said that the commodity taxes are hidden taxes and are inflationary. He went on to rationalize that that was okay. By what I believe is very close to a direct quote he said that if they were removed, income tax would have to be increased by 28 per cent. I have never heard of a response so shallow as that particular response. If we follow the reasoning given by the hon. member for York Centre, we can ask the question, where will the line be drawn on taxation? I now cite some figures in this respect. In 1960, in terms of revenue as a percentage of the gross national product, all governments in Canada took 25.1 per cent. In 1968 that figure had increased to 34.4 per cent, and by 1974, at the start of the thirtieth parliament, the figure had risen to 39.8 per cent. I will now turn to expenditures. In 1950 22.1 per cent of the GNP was spent by governments. By 1968 when this government first took power 33.7 per cent was being spent of our total GNP by all governments in terms of taxation, and by 1974 the figure was 37.9 per cent. As recently as 1977 the figure was 41.1 per cent.

Consider a pie of a certain size. If one continues to increase the percentage that government takes from that pie, that much less money is left for the private sector. In other words, the larger the percentage of gross national product that comes from government expenditures, less is left for the private sector.

The hon. member for York Centre says revenues were needed so certain taxes were added on. I fail to understand this thinking. It would seem more logical for the government to stop and consider how it could bring stimulus into the economy so as to get the free enterprise system working. This would eliminate the need for a heavy overburden of government increasing taxes and working toward the objective of a dominated government society, which we appear to be working toward in Canada today.

Let me take a look at some of the specifics in this bill which do just that. For instance, airport tax has increased from $8 to $15 per person. In the first place Canada is probably one of the last nations in the world—next only to the Soviet Union—that should discourage air traffic. Canada is a country with a large land mass. It has tremendous resources, some of which are found in places where roads, railways and boats cannot go. To discourage aircraft travel, whether by light plane or commercial aircraft, is demonstrating a disincentive to the construction and the building of this country. However, if we were talking about a country such as Belgium which is a small country with a dense population, and if for some reason because of air traffic density the government in its wisdom said that air traffic should be limited, this would be quite proper. But to limit air traffic in Canada by taxation policies does not seem appropriate.

We could extend beyond the particular part of the clause in Bill C-38 and talk about the whole excise tax area and bringing light aircraft into Canada. The whole discriminatory concept against air travel has as its bottom line that this government does not believe that the airplane services the free enterprise system of our country. We have an unimaginative

government. Otherwise, we would open up the concept of air travel, making it freer to travel.

● (2150)

On one hand we have an opinion that has been expressed in this House, one in which I concur, by the Minister of Industry, Trade and Commerce (Mr. Horner) that Canadians should travel and tour more in Canada. That is an opinion to which most Canadians would subscribe. However, we cannot take that position and on the other hand put in the way economic roadblocks which have objectives exactly opposite to that. I find it hard to believe that the government thought it necessary to increase the airport tax on the travelling public from $8 to $15. This is one of the last nations in the world that should put roadblocks in the way of air travel.

I now move to another portion of the bill, the reduction of sales tax from 12 per cent to 9 per cent. On the surface that tends to sound very musical to the ears of most people. However, the Department of Finance, which ought to be schooled in economics and the ramifications of their recommendations, should know that when they make a recommendation to reduce sales tax from 12 per cent to 9 per cent, somewhere they catch businessmen in the middle of the year. Car dealers across Canada would love to have this election come for no other reason than to vote against this government on that particular clause. I will tell you why.

A car dealer in my constituency managed to get out of that situation into which the government had put him. He had some cars on the lot at 12 per cent sales tax and others, the same kind of cars, at the 9 per cent sales tax. In order to get out of that, it cost him $12,000 out of his pocket. That is what he spent to bail out this government for not having foresight in terms of a taxation policy.

When you do not make the sales tax retroactive to a fiscal year, all you do is box in those people dealing in major commodity items. They have to pay out of their pockets in order to bail out the government. If the government is going to reduce sales tax, it should give some kind of warning, and the various sectors of the industry will applaud that. It would be widely accepted across the country. However, when you come in with the axe because an election is coming soon and you want some goodies in the candy bag to hand out, and you reduce the sales tax from 12 per cent to 9 per cent, the result is that the private citizen has to bail out the country.

Another part of this tax that leaves us in a real quandary as to what direction the government has been taking is in relation to building materials. In this country we have a shortage of housing and one of the highest levels of unemployment of any of the industrialized nations in the world, except for Italy. We must recognize that many factors flow out of the field of housing. First, it stimulates a tremendous number of sectors of our economy such as the lumber industry, concrete industry, electrical wiring, plumbing, skilled, unskilled and professional people.

The government somehow leaves on the books the concept of having a 5 per cent building tax. Some years ago the tax was

12 per cent. It was dropped a little bit, then some more, and now finally it will be 5 per cent. A bureaucracy is always needed to look after this. Throughout the building materials industry there is extra paperwork. There is just as much paperwork with a one per cent tax as a 90 per cent tax, and just as much administration required for a 5 per cent tax as a 75 per cent tax.

If the government wants to pare some of the administration and take off some of the overburden in the business community, the best thing it could have done would have been to wipe out in total the tax on building materials. It would have given a stimulus to the housing industry. That is the kind of imagination this country needs. It is something that should have been looked at in the last budget.

There is an appalling conflict of position in Bill C-38. It talks of a reduction in tax in terms of solar heaters. It is a good idea and no one in this House would argue with it. However, it slaps a tax on double-glazed window glass and storm doors. Somehow in the political ramifications the government gives the impression it wants to move toward energy saving devices. It picks something that has a musical ring to the public and says it will remove the tax on solar heating. While the public is looking in that direction, it sneaks behind and slaps a tax on storm doors and windows. Are ministers serious about energy saving or not? If they were, they would look at it from a broad perspective and not go on this teeter-totter adventure by taking it off with one hand and putting it on with the other. While Peter is giving, Peter is also taking, and Paul does not know if he is on a Ferris wheel or a pogo stick.

One of the most important parts of this legislation is also one of the greatest frustrations I can express about virtually every piece of legislation brought forward by this government. Clauses 15, 16 and 17 of the bill contain regulatory changes that can be changed by order in council.

I notice it is very close to ten o'clock. Perhaps in one sentence I might point out that in 1978 this country, through the federal government, had 3,970 orders in council. Not a single one was referred back to parliament. By contrast, there were about 15 orders in council in Great Britain and every single one was referred back to parliament. What we end up with is government by regulation, in other words, another attempt to thwart the parliamentary system. May I call it ten o'clock, Mr. Speaker?

● (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

HEALTH AND WELFARE—REDUCED INSURANCE PREMIUMS FOR NON-SMOKERS—GOVERNMENT POSITION

Mr. B. Keith Penner (Thunder Bay): Mr. Speaker, earlier this week I raised a question in the House asking what the government had done or would do to encourage the Canadian insurance industry to offer discounts or premiums to non-smokers who were physically fit. The answer I received was unsatisfactory because, as I learned later, my question was addressed to the Minister of State for Fitness and Amateur Sport (Mrs. Campagnolo) whereas it should have been addressed to the Minister of National Health and Welfare (Miss Bégin).

Recently I received a substantial discount on my automobile insurance premium because I had not been involved in any kind of car accident for more than five years. Included in my premium notice was a reminder to all those who totally abstain from alcoholic beverages. This group of drivers is also a low risk group and, in consequence, they receive a significant reduction in their premiums. So the principle is well-known in the insurance industry: low risk groups get a break in their insurance costs. Safe drivers and non-drinkers of alcohol are among those in low risk groups.

However, according to a study done in the U.S.A. by a company known as Farmers' Insurance, non-smoking drivers have an accident rate which is one half that of smokers. It is not difficult to understand why smokers who drive may have more accidents; the act of lighting a cigarette, cigar or pipe can be distracting, as can the butting of smoking materials or the brushing away of ashes from clothes and car cushions. On the basis of this study, the Farmers' Insurance Company in the U.S.A. decided to give non-smokers a good discount on premiums. Mr. Speaker, if proper surveys were carried out by the Insurance Bureau of Canada I am sure it would be found that non-smokers are safer and better drivers and should therefore be rewarded by having to pay less for their premiums.

So far, Mr. Speaker, I have spoken only of automobile insurance premiums. But the same principle applies to life insurance. The Occidental Life Insurance Company in the U.S.A. is offering discounts of between 10 per cent and 20 per cent on life insurance premiums to policyholders who exercise regularly. I am advised that, to qualify, a person must sign a statement that he or she is a non-smoker and has done some form of aerobic exercise such as jogging or swimming for a least 20 minutes three days a week for the preceding year. To the best of my knowledge, these progressive measures being followed by some insurance companies in the United States have not been adopted in Canada.

The Government of Canada knows that smoking is a serious threat to health and that it interferes in varying degrees with normal daily activities. Again, the government actively promotes and encourages citizens to follow a regular exercise program. Participaction has contributed a great deal, in my view, to raising the average level of robust good health in Canada. Now is the time to go for additional pay-offs, additional, that is, to feeling better, working more effectively and enjoying life more. The extra pay-off should be applied to insurance costs. Low risk groups should have their premiums reduced, and what better opportunity is there than on the basis of the evidence which has been produced as a result of studies in the United States?

That is the background for my question. I wanted to know what the minister has done to convince the insurance industry in Canada that this is a logical course to follow. What will the minister do in this regard? Non-smokers are now a majority in this country and it is about time they stopped having to pay extra premiums which have been incurred by those who are smokers.

● (2205)

Miss Aideen Nicholson (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I am delighted to have this opportunity to respond to the hon. member's question. It is not often that we non-smokers see questions raised in this way.

About two years ago an official of the Department of National Health and Welfare raised with the Canadian Home Office Life Insurance Underwriters Association the possibility of offering a reduced premium to their non-smoking clients. At that time it was pointed out that non-smokers make up approximately 70 per cent of the total population of Canada. Shortly afterwards one Canadian company offered a reduced rate on fire insurance, which is between 20 per cent and 25 per cent less than the standard premium. The same company also provides automobile insurance at a rate which is about 15 per cent less than the standard premium. No other Canadian company offers these reduced rates.

The question of reduced life insurance rates for Canadian non-smokers has also been explored with the industry. Canadian statistics on morbidity and mortality, as well as United States statistics, particularly those used by at least one American insurance company, seem to indicate that non-smokers are good risks and that it might be logical to offer them a preferred rate. This has not yet happened in Canada, although departmental officials continue to discuss the matter with the industry with the aim of obtaining the same life insurance benefits for Canadian non-smokers as those enjoyed by our American neighbours south of the border.

One can hope that the competitive requirements of the insurance industry will eventually produce the kind of premium reduction suggested by the hon. member.

TRANSPORT—AUTHORITY OF CANADIAN WHEAT BOARD TO PURCHASE GRAIN HOPPER CARS

Mr. Arnold Malone (Battle River): Mr. Speaker, as a non-smoker I also endorse the physical fitness concepts of my good friends opposite. I am looking forward to the conclusion of this parliament so that I can start jogging.

My question deals with a question I asked on February 12, 1979, of the Minister of Transport (Mr. Lang), after the Canadian Wheat Board purchased some 2,000 hopper cars using Canadian Wheat Board or, in essence, farmers' money.

The question was whether there was any limit to the number of hopper cars the board could buy, and the minister said that because there is authority, of course there was not. Then I went on to ask him if there was therefore any reason why the Canadian Wheat Board could not also purchase engines to pull trains, repair tracks on which grain is hauled, and repair terminals, ports and the like. The minister's response to me was as follows:

> The answer to that question is no, Mr. Speaker; and, of course, it is completely out of the context of any reality to put it, except perhaps to create worry.

The minister went on to say:

> They may save as much in demurrage charges at that time or in the ability to make spot sales in the annual cost of these cars, and that is the reasoning they employed.

I was not satisfied with that answer because I did not believe it. Today the hon. member for Portage (Mr. Masniuk) put virtually the same question, and he received a very different and conflicting answer. Today the minister said that the board has its own authority on this matter. I am referring to the "blues" of this afternoon's question period. The minister said that the Canadian Wheat Board went back and concluded that the right thing to do would be to go ahead and make purchases. I wrote a letter to the minister to ask about this, and I will quote a paragraph of the letter I wrote to the minister, as follows:

> So that I might be precisely informed as to the specific authority that grants the Canadian Wheat Board the power to make the above said purchases, I would be pleased if you would cite the regulations or statutes that grant the Canadian Wheat Board the right to take such action.

● (2210)

I have now received a response which reads in part:

> In reply to your letter of February 12, 1979 regarding Canadian Wheat Board authority to purchase hopper cars, this authority is contained in section 4 of the Canadian Wheat Board Act, Revised Statutes of Canada, Chapter 12, as amended.
>
> The following paragraphs of section 4.4 are the pertinent to this matter:
>
> Paragraph (a) empowers the board "to buy, take delivery of, store, transfer, sell, ship or otherwise dispose of grain"—

The fact is that they could buy the engines and build the railway lines, and build anything else in accordance with the wishes of the Canadian Wheat Board to enable them to sell, ship or otherwise dispose of grain. This provides me with a very interesting perspective in view of the fact that a week ago I met with the president and executive of CP Rail who stated that CP is no longer sure they can pay $800,000 per rail engine, and that grain trains often use as many as four of these $800,000 engines.

The fundamental question is not with regard to the 2,000 hopper cars. What I would like to hear from the Parliamentary Secretary to the Minister of Transport (Mr. Lapointe) tonight is this: we want some assurance, as we go through the list in this letter, a portion of which I read, stating that since they purchased 2,000 hopper cars and that the Canadian Wheat Board says it would like to have 10,000 hopper cars, they can no longer give an assurance that they can afford to purchase the engines, and noting the fact that some railway lines handle nothing but grain, what guarantee can he give to the farming community that after they have seeded the grain, fertilized it, used pesticides and herbicides, then harvested it, stored it and hauled it to the grain elevators, the Canadian Wheat Board will not use up all their money to improve the transport system without paying the farmers?

[Mr. Malone.]

I should like to quote a section of the Revised Statutes of Canada relating to the Canadian Wheat Board Act. The pertinent paragraph in the minister's reply reads as follows:

> Paragraph (d) empowers the board "to acquire, hold and dispose of real and personal property . . .". Legal officers consulted were unanimously of the opinion that personal property includes such items as hopper cars.

Why could it not include any other item? It was their decision that it included hopper cars. In his answer to me the minister said that obviously they could not purchase the engines or fix up the rail beds or the ports. I do not believe that answer because of the different answer he gave today to the hon. member for Portage in which he indicated that the Canadian Wheat Board can use its money in any way it deems fit so long as it is for the purpose of buying, selling, shipping or otherwise disposing of grain. This is the first time in Canadian history that the Canadian Wheat Board has used farmers' money for any other purpose than to pay demurrage charges which occur on the west coast usually because of strikes or because of the unfortunate scheduling of ships coming to port.

We are now on the threshold of a change in how farmers' dollars are used. What I would like to know from the parliamentary secretary this evening is what assurances he can give us, clearly and simply, that the farmers from this day henceforth, when they make a sale of grain, will get even $1 back, and that somehow in the judgment of the Canadian Wheat Board it will not be necessary to use that money to fix up some rail lines or to buy some more hopper cars or engines to pull the grain, or to fix up the grain drying facilities, or a whole host of other expenses. If that act is to be interpreted in the loose way it is drafted, it cannot be left simply to the judgment of the elected officials of the Canadian Wheat Board. There must be a distinct difference between making policy direction decisions and decisions which relate to the actual dollars that go back to the farmers' pockets. I should like the parliamentary secretary to address himself to that second point.

● (2215)

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but his time has expired.

[*Translation*]

Mr. Charles Lapointe (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I find it most surprising that a member opposite should show such a lack of confidence in the Canadian Wheat Board and I find it even more surprising, Mr. Speaker, that the hon. member should imagine that the Minister of Transport, any other minister or any other member of this House would know by heart all the sections and subsections in the statutes of Canada which fill at least 30 library shelves.

What surprises me even more, Mr. Speaker, is that if the hon. member had indeed listened to the answers the minister gave today the hon. member for Portage (Mr. Masniuk) he would probably not have to quote from the letters he wrote or even the statutes of Canada.

May I be permitted, Mr. Speaker, to quote in turn, the way the hon. member did, the answer the Minister of Transport (Mr. Lang) gave today to the question by the hon. member for Portage, on exactly the same subject when the minister indicated with respect to the purchase of 2,000 hopper cars by the Canadian Wheat Board, and I quote:

[*English*]

—indicated at that time that my consent was not required and that the board had its own authority in this matter. I had advance knowledge of its consideration of the matter, and of course I realized they had discussed the matter with the elected advisory committee of producers. After public reaction about the hopper cars, I was concerned that they review the matter.

The minister went on to say that the Wheat Board went back to the advisory committee, looked at it again, and concluded again that the right thing was to go ahead with the purchase.

[*Translation*]

With respect to the second point, Mr. Speaker, about farmers and the funds necessary to operate the Canadian Wheat Board, the minister clearly indicated they too have a word to say in the decisions of the Canadian Wheat Board, and I would like to quote from the answer the minister gave in this House today as follows:

[*English*]

—that there is an elected body of advisers to the Wheat Board who were elected just freshly toward the end of last year, the first year of their term." They were consulted, but beyond that, as tc what they can or cannot do in precise legal terms, the minister suggested that the hon. member for Portage (Mr. Masniuk) should consult his own advisers.

The decision of the Canadian Wheat Board must be taken in the context of what the federal government has accomplished over the past few years to upgrade the grain handling and transportation system. The government has already purchased 8,000 hopper cars for grain movement at the cost of $260 million.

[*Translation*]

Furthermore, Mr. Speaker, the government constantly reassesses the need to purchase additional hopper cars. However, it must make sure these are absolutely necessary before allocating public funds for that purpose. That precaution is particularly important in this period of government restrictions.

To get the most out of the cars used for hauling grain, Mr. Speaker, we see that improved efficiency in the past three years shows one third fewer cars were required in 1977 to haul the same amount of grain as was moved in 1974.

Adjournment Debate

[*English*]

REGIONAL ECONOMIC EXPANSION—STEPS TO IMPROVE CAPE BRETON COAL INDUSTRY

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I thank the minister, in his answers to my questions of March 15, for giving the people of Cape Breton such hope, and especially for assuring coal miners and the unemployed that they could expect a positive answer from the federal government on the question of opening a new coal mine at Donkin outside the town of Glace Bay.

● (2220)

The minister mentioned that the past help given to the coal division of the Cape Breton Development Corporation is a sign that the Cape Breton mining communities can anticipate good news about Donkin. That is how I interpreted his answer to my supplementary question. I want to tell him we all appreciate that help. Despite some mistakes, Devco's coal division has done a better job for the miners than its predecessors, Dosco and Hawker-Siddeley, which fed at the federal government from the 1920s until they abandoned Cape Breton in the mid-1960s.

In passing I just want the minister to know that if the Liberal government has listened to the late MP, Mr. Clary Gillis, in 1947, it would have nationalized the mines in Cape Breton earlier. If it had adopted his plea for a national fuels policy then we all would have been better off in Canada and we would not have had to wait until the end of the 1970s to get some adequate measures with regard to coal reserves in Cape Breton.

The drilling measures carried on in the last two years have been very encouraging. In the words of the late Devco president, Mr. Bob Matheson, "The coal that was drilled in front of Lingan and No. 26 indicates that Lingan, instead of having a lifespan of 17 years, probably will be able to continue viably for 25 years and this automatically extends the life expectancy of No. 26 as well because it is on the same front."

A paper written by Mr. W. Potter, geologist, on the results of the offshore coal drilling program of 1978, had this to say in paragraph two: "Three holes were drilled at Donkin to examine the quality of the coal found during the 1977 program and to assist the feasibility study for a proposed new mine. The geological resources for the four seams, that is Point Aconi, Lloyd Cove, Hub and Harbour, are two billion tons." Reserves were also found that hopefully will see a new mine at the Prince mine site on the north side.

We all realize that having such a large amount of coal does not mean that present mining technology or the economics of extracting the coal are all favourable. Certainly the coal has been proven to be of good quality for thermal use, if not for coke oven use in a steel plant. Therefore the demand of the Nova Scotia government and its power commission play a crucial role in determining the beginning date for the tunneling operation that must procede the actual extraction of the coal. There is every indication from the premier of Nova

Scotia and his minister of mines that they are anxious to get the Donkin mine started as soon as possible.

The minister of mines, Mr. Barkhouse, who is also chairman of the Nova Scotia energy council, sent a telegram to the minister in charge of Devco, Mr. Lessard, on February 27, which in essence urges the federal government to open Donkin. This is good news but before a final announcement of a starting date for opening Donkin can be given, the contractual price demanded by the Nova Scotia Power Commission, as well as royalty rates and length of contracts, all have to be negotiated between Devco and the Nova Scotia Power Commission. The present royalty paid to Nova Scotia government is 25 cents per ton. Is that going to be constant for the life of the Donkin contract?

When does the province intend to build the third and fourth stages of the generating station at Lingan? The first two stages which will produce 300 megawatts of electricity at a cost of some $180 million are due on stream by 1980. They will burn some 800,000 tons of coal. The next two stages or, if there is only a third stage, will produce an additional 300 megawatts and burn another 800,000 tons.

The accelerating price of crude and bunker C oil, which all the evidence shows will go much higher, is a special incentive to use coal-fired thermal plants. Given the insecurity of foreign oil supplies, security of supply from having coal at the back-door, so to speak, is another very important reason for going ahead without further delay. It will take some four to six years to develop a mine producing some two million tons a year from Donkin. The federal promise of last year should now be confirmed, and Devco and the Nova Scotia government should start negotiating immediately.

There is no good reason that I can see why the Donkin mine cannot be started by June or July. There is every indication that this will prove to be a good investment for the federal government and the Nova Scotia government, as we try to limit imports of foreign oil. Millions and millions of dollars of oil compensation payments by the federal government will be saved. Our country's serious balance of payments situation will be helped. The desperate unemployment problem in the construction and in the coal mining sector of Cape Breton will be greatly alleviated. These are the major important economic and social benefits that will far outweigh financial costs involved.

● (2225)

Mr. Charles Lapointe (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I welcome the opportunity to say a few words about Devco tonight. I am sure that the hon. member for Cape Breton-East Richmond (Mr. Hogan) shares my pride and that of the Minister of Regional Economic Expansion (Mr. Lessard) in the solid record of achievement of Devco.

Devco is an excellent example of the courage and determination of Cape Bretoners and what they can achieve when backed by a committed federal government. It should be widely recognized and appreciated that Devco has turned the Cape Breton coal industry around, that, for example, the Lingan mine is recognized by mining experts around the world as the most productive advancing longwall coal mine in the world.

The hon. member has raised the question of the proposed new Donkin mine. Let there be no doubt as to this government's commitment to do everything possible to develop a viable mine near Donkin. It was this government that spent over $10 million to finance the coal exploration which proved the reserves necessary to support a new mine. It is this government, through Devco, that is paying for the feasibility study of which the hon. member speaks. It is this government that committed itself in principle almost a year ago to proceed with a new Donkin mine if it is shown to be feasible.

The engineering consulting firm which Devco engaged to do the feasibility study on the Donkin mine proposal is now in the final stages of writing its report to the corporation. The report will be a rather lengthy document of up to six volumes, and as soon as it is ready the corporation will make a copy available to the minister and review the document with him.

One volume of the report will be an executive summary and this volume will be the first released. The hon. member may be assured that we shall keep him advised of the progress of this matter.

The hon. member expressed concern as to whether or not the final federal decision will be made before, during or after the election campaign. This is a most difficult question to judge. As the hon. member knows, there is much work involved in evaluating a report of this size. He knows as well that no technical report can replace good policy judgment even though those reports are an essential part of decision making. He knows too that Devco must prepare its plan for development for government approval.

I can only assure him that the government will move with the same determination it has demonstrated in the past and that a decision will be made as quickly as possible.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m.

Motion agreed to and the House adjourned at 10.29 p.m.

HOUSE OF COMMONS

Friday, March 23, 1979

The House met at 11 a.m.

● (1105)

ROUTINE PROCEEDINGS

[*English*]

ENVIRONMENTAL AFFAIRS

REASON FOR DELAY IN ACTING TO AVOID POSSIBLE OIL SPILL FROM "KURDISTAN"—MOTION UNDER S.O. 43

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of some urgency to Canadians.

Given the presence of two actual and one potential environmentally dangerous hazards arising out of the *Kurdistan* incident, and in view of accessible, dedicated, knowledgeable and highly competent professional advice, I move, seconded by the hon. member for Central Nova (Mr. MacKay):

That this House call on the Minister of Transport, the Minister of the Environment, and the Deputy Prime Minister to explain on motions later today why it took up to six days to decide on a course of action with respect to the stern section, and on the Prime Minister of the country to explain why the Nova Scotia government was not fully consulted in the decision-making process.

Mr. Speaker: Presentation of such a motion for debate would require unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

REQUEST FOR STATEMENT ON "KURDISTAN" INCIDENT—MOTION UNDER S.O. 43

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my motion under the provisions of Standing Order 43 refers to the same subject matter. It relates to the shipping and environmental policies and methods of this government in the matter of the *Kurdistan* which, as the House knows, is an oil tanker in distress off Chedabucto Bay.

Since this vessel, with her engine-room sound and intact and steam in her boilers, could, as so many crippled vessels in the past, have proceeded under her own power or with minimal assistance to a suitable port; and since the Minister of Transport, who had ultimate authority, delayed and dithered for several days while drift ice closed in and complicated matters, I move, seconded by the hon. member for Dartmouth-Halifax East (Mr. Forrestall):

That the minister or his acting minister, today on motions, make a statement setting out the reasons for the indecisiveness and confusion which has paralysed this government, years after the *Arrow* disaster in the same area underscored the necessity for coherent plans, legislative authority and automatic decision-making powers to act expeditiously in matters such as this, and to assure the House, Mr. Speaker, that under the guidance of the Minister of Transport, the *Kurdistan* is not making due progress toward Cerebus Rock for a repeat performance.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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POST OFFICE

PROPOSED CLOSING OF WINNIPEG POSTAL STATION—REQUEST DECISION BE REVIEWED—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, this is admittedly a very local issue, but judging from the number of telephone calls to my constituency office from residents of my area, as well as from the adjoining area of Winnipeg South Centre, it is one of urgent and pressing concern. Therefore, under the provisions of Standing Order 43, and seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), I move:

That this House urges the Postmaster General to review the decision to close Postal Station D in Winnipeg, it being the view of this House that the service provided to the residents of that part of Winnipeg should be continued.

Mr. Speaker: The motion can be introduced for debate in the House only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

● (1110)

ORAL QUESTION PERIOD

[*English*]

TRANSPORT

TIMING OF DECISION TO SALVAGE OIL TANKER "KURDISTAN"

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is for the Minister of Transport. It is now nine years since the *Arrow* disaster in the Strait of Canso

off the Nova Scotia coast. I have two or three questions I would like to direct to the minister. Precisely when in time were the minister's advisers able to determine the integrity of the hull and the engine-room of the oil tanker *Kurdistan* and decide that it could be salvaged in a reasonably safe operation?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, as soon as it was possible to investigate the stern section, that fact was ascertained. I cannot tell the hon. member when they reached the conclusion that it was indeed safe. I was first given a preliminary indication of that in a briefing three mornings ago. At that stage, further examination was still going to take place. I am interested in finding out why the hon. member is interested in exactly what happened at what stage of the process.

Mr. Forrestall: Mr. Speaker, six days is too long to gamble on an environmental hazard created by the wiles of the ice-packs in the Cabot Strait and the Gulf of St. Lawrence, and the weather, particularly at this time of year.

Why did the government have to wait? Why could it not deal with the legal problems with more dispatch? Is it because neither the minister's department nor the Department of the Environment have adequate statutory authority to deal with matters of this nature with much greater dispatch? Was it a technical, or a legal problem that caused the undue delay?

Mr. Lang: It was a combination of things, Mr. Speaker; but I do not grant for a moment that there was undue delay. It was a very serious decision to take, to allow a vessel which had suffered any kind of mishap to come alongside the Canadian coastline with a cargo of oil on board.

We wanted to be sure on the technical basis that the risk was small. We also wanted to have complete protection from a legal point of view in relation to any possible costs and damage even though it was small. Experts in relation to this kind of contract came together from quite a few different places in the world, experts who had been associated with a similar event in Rotterdam and the like.

The question of negotiation and the extent of liability which we would insist upon were important questions on which I wanted to be satisfied. In the meantime, however, it was not as though the time was being lost. The vessel was put under tow. At first, while there was a question about the adequacy of the stern to survive the seas, it was being moved in an outward direction toward deeper water. When it became apparent that salvage was distinctly possible, and having regard to winds in any case, the direction of the tow was changed: it moved toward the Port Hawkesbury destination. When the critical point was reached where it would have been necessary to turn either out to the sea or in toward the bay, the decision had already been made.

• (1115)

Therefore, while the legal matters did take some time, it was not as though time was lost. I hope the hon. member will agree with us that in making a most serious decision involving an element of risk it was necessary to be sure as to the size of that risk and be completely protected from the legal and financial points of view.

[Mr. Forrestall.]

Mr. Forrestall: The minister's response is totally inadequate, of course. Six days is far too long to gamble on ice and weather conditions in the Guif of St. Lawrence, and the minister knows it.

May I direct a final question to the Acting Prime Minister, whoever he may be today, and ask whether in his view it would be worth while, once the formal investigation into this matter has been completed, to refer this whole question to an appropriate standing committee of the House in order to determine whether the existing statutory authority available to the Minister of Transport and to the Minister of State for the Evironment is adequate to enable them to cope with disasters of this nature with much more dispatch than we have seen in the last week?

Mr. Lang: Obviously, in the course of examining the alternatives available to us we have begun to draw some conclusions about our powers and the exact legal situation in a variety of very difficult circumstances. I would think that, as a result, we would be coming forward in due course with some changes.

I do not think we needed a different set of powers in the situation which actually faced us, but as we reviewed alternative circumstances, when we were not sure what those circumstances would be, I was concerned about the extent of our powers and I will want to propose some legislative changes.

ICE SURVEILLANCE CAPABILITY IN GULF OF ST. LAWRENCE

Mr. James A. McGrath (St. John's East): Mr. Speaker, I wonder if I might direct some supplementary questions to the born-again Minister of Transport. The same ice conditions that are compounding the threat to the tanker *Kurdistan* have caused the entire CN ferry fleet to be stuck in the Gulf of St. Lawrence, with 317 passengers stranded on three ships. A fourth, the *Frederick Carter*, left port this morning only to be caught in the ice a short time later.

Where is our ice surveillance capability? Why would these ships leave port, knowing that the wind has not changed, knowing full well they will be stuck in the ice, knowing full well we do not have the ice-breaking capacity to free them? Why would the coastguard allow this to happen?

Hon. Otto E. Lang (Minister of Transport): Essentially, I think, because of the hope in each case that the trip might be completed. A good deal of our ice-breaker strength is, of course, in the vicinity. These vessels are helping in every way they can. Obviously, there are people waiting to board the ferries, and if there is any chance at all I am sure they move out.

I have not inquired into the exact circumstances of the departure of each vessel, which is probably what the hon. member has in mind. After all, this involves a judgment by

local management and those who operate the vessels, no doubt in response to the needs of people who want to make the crossing.

Mr. McGrath: I am astounded at the minister's reply. One of these ships, the *Robert Bond*, with 60 passengers aboard, has been stuck in the ice since 2 o'clock last Monday. Surely the Canadian coastguard has some jurisdiction. Surely it must have weather data at its disposal; it must have knowledge of ice conditions. After all, ice is not unknown in the Cabot Strait at this time of year: perhaps the minister does not know that.

Why has this situation been allowed to arise? Why has it been allowed to get worse, with people stranded at Port aux Basques and Sydney, with another ferry leaving this morning? Surely the coastguard must have some jurisdiction here and, if not, why not?

Mr. Lang: The coastguard is certainly in operation in connection with this exercise. The *Labrador* and the *St. Laurent* are there, hard at work in an effort to free these vessels. I cannot understand the hon. member's logic. He is critical of the fact that passengers are stranded at Sydney and Port aux Basques. At the same time he is critical of the fact that vessels move out when we should know that at this time of year there is ice in the strait. Is he suggesting that we cancel service cross the strait at certain times of the year because there may be ice? I think that is a rather ridiculous suggestion.

• (1120)

I suggest that the right thing is to rely on the judgment of the people who are operating the vessels and who expect that, with coastguard help, they may be able to get through. When, suddenly, very difficult winds trap vessels which are ordinarily capable of managing the ice, obviously there is a difficulty. But I do not think the hon. member has any solution, unless he wants to build airports at each end as well.

Mr. McGrath: Mr. Speaker, we are not dealing with a hypothetical situation; we are dealing with ice which has been there since last Monday. One ferry has been stuck since last Monday, yet CN continues to accept passengers, knowing the weather has not changed and knowing ice conditions are still the same. Ships are still allowed to leave the port, knowing full well that a short while after leaving either Port aux Basques or Sydney they will be caught in the ice.

What does the minister intend to do about it? Does he intend to put in place some kind of ice surveillance capability which would say to CN, "Sorry, you cannot leave today because the ice has packed in, the wind is not changing and you are going to be stuck"? Why does the Canadian coastguard not provide that kind of service?

Mr. Lang: Mr. Speaker, I suppose one thing I can be sure of is that if passengers were not allowed to board a vessel to make the crossing because somebody said there was ice out there, and then because of a sudden change of winds, vessels were able to move across that strait, the hon. member for St. John's East would be criticizing the failure to move those passengers.

The fact is that, at least as informed as I am, wind and ice conditions can change very quickly in terms of whether vessels can move through, and that can happen between the time of departure and the time of arrival. As I say, I am not an expert on whether these vessels should move out to sea.

Miss MacDonald: You sure are not.

Mr. Lang: The hon. lady for Kingston and the Islands says I am not. I said I am not; therefore I have some trust and faith in the captains of the vessels and the operators of the system.

Some hon. Members: Hear, hear!

* * *

ENVIRONMENTAL AFFAIRS

THREAT OF OIL POLLUTION TO FISHERY AND BEACHES IN TOWING "KURDISTAN"

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, my question is to the Minister of State (Environment) and it relates to the *Kurdistan* incident.

In view of the concern expressed by fishermen in the Canso Strait area that the federal government has allowed the stern section of the oil tanker *Kurdistan* to be towed towards Chedabucto Bay, and given the discovery of a new oil slick in the area, can the minister explain why the towing commenced, given the dangerous ice conditions in the bay and the real threat of pollution on the beaches and in the fishing grounds? Many of us fear that the value of the cargo is taking precedence over safety of the environment.

Hon. Len Marchand (Minister of State (Environment)): Mr. Speaker, environmentally, all factors were evaluated. A number of other ports were evaluated as well. In the view of my officials who are on the scene, as well as in the view of Environment Nova Scotia, the Department of Fisheries and the Department of Transport, the route to Port Hawkesbury, with all of the conditions which the salvor would have to agree to, was the safest one to take.

It was the view of our officials that with the appropriate icebreaking equipment on hand, there really was no environmental risk or, at least, that the risk if any was really very minimal.

Mr. Symes: Mr. Speaker, in light of that answer, I wonder if the minister can explain reports in the media this morning that the plans to tow the tanker to Port Hawkesbury have been abandoned because officials of the oil industry say it is too dangerous to move it through the dangerous ice conditions in the bay for unloading at Hawkesbury. I would like the minister to inform the House whether this is true or not.

In addition, given the past experience of the *Arrow* oil spill disaster, can the minister explain why it has taken so long—over six days—to determine what course of action to take? It seems to me that this is an indication that the government is not well prepared.

Mr. Marchand: Mr. Speaker, I am checking on the validity of those press reports. It is my understanding that all appropriate arrangements have been made for the stern once it arrives at Port Hawkesbury. I think my colleague, the Minister of Transport, explained very clearly, in an answer he gave earlier to the hon. member for Dartmouth-Halifax East, why it took six days. Those six days were not all lost by doing nothing. It took some time for both the stern and the bow sections to be in a position which would allow a decision to be made.

● (1125)

If the hon. member will recall, the weather conditions were absolutely awful in the whole area and a lot of danger was involved. If the decision had been taken to tow the vessel into deep water, they would have been bucking severe weather conditions. There is a possibility it could not have been done, two lines could have broken, and so on. So the decision was made that the best possible solution was to attach tugs to both the stern and the bow sections and try to nurse them along in the best way possible until a decision was made. Now a decision has been made and we are just waiting for the fog to clear at Chedabucto Bay so that the stern can be brought safely into Port Hawkesbury.

Mr. Symes: Mr. Speaker, again I worry about the safety aspects, since the reports say that a new oil slick has been sighted. If the government intends to proceed to tow the stern into the bay, then indeed the fishery may be in danger.

My final supplementary is this: The minister says that all the legal ramifications and the insurance problems explain the six-day delay in coming to a decision as to which way to tow the stern. Surely the minister would agree that, in light of the *Arrow* incident, his department should have had regulations in place so there would not be this delay in terms of determining liability and what the insurance results would be.

Mr. Marchand: I do not think there was really any serious delay. As far as the advice being given by my officials is concerned, it had nothing to do with the legalities: these were being negotiated by Transport Canada. The advice that my officials gave was based on environmental grounds and we agreed finally with the decision, which was agreed to by all parties concerned, that the safest thing to do environmentally was to go into Port Hawkesbury.

I would say to the hon. member that there has been some oil-stained ice observed in the vicinity, or north of the entrance to Chedabucto Bay. It is oil-stained floe ice which we feel came into that area from the original site where the tanker *Kurdistan* broke up. We do not have a complete evaluation of it yet, but since we found it yesterday there have been a number of surveillance flights over it. To the best of our knowledge, there is really no danger at this point. This is not a slick; the officials are calling it oil-stained ice. There is no environmental danger observed. But we hope we will be able to get people on site and not just rely on aerial observations. We will be able to bring people on site today to observe exactly the condition of these oil stains, and if any clean-up action has to be taken, we have plans and equipment and it will be taken once we have made the evaluation.

* * *

● (1130)

[*Translation*]

SOCIAL SECURITY

INQUIRY WHETHER GOVERNMENT WILL CONTRIBUTE TO ESTABLISHMENT IN QUEBEC OF GUARANTEED ANNUAL INCOME

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. In view of the fact that a few years ago the federal and provincial governments set up an organization to study the possibility of establishing a guaranteed annual income plan in Canada and considering that it has become a question of current interest at the Quebec legislature, would the minister tell the House whether there has been some kind of agreement with the Quebec government and, as a result of such agreement or negotiation would the federal government be expected to make a financial contribution under that new policy?

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, of course no member of the federal government nor any official has been consulted or advised of that plan about which I only know what I heard by mere chance on television late last night and what I read in the newspapers this morning. I am therefore waiting to see what suggestions will be made to us.

Mr. Lambert (Bellechasse): I have a supplementary question, Mr. Speaker.

If his remarks have been correctly reported by the media, Quebec minister Marois intends to apply to the federal government in general and the Department of National Health and Welfare in particular for a contribution to the implementation of this program. Could the minister advise the House whether, together with her officials, she will look carefully into these proposals and report to the House before any agreement is finalized?

Miss Bégin: Mr. Speaker, I have with me the papers which the hon. member is referring to. There is a picture of Mr. Marois with several mikes in front of him. The caption reads: "Minister Marois will soon write Miss Bégin". I am therefore waiting to hear from him. The minister makes statements on TV, but he does not speak to me. If and when I receive a document, I shall look into it. I must say, however, to the hon. member—who is certainly already aware of it—that we are not paying supplements to workers who are being paid wages.

Poverty is such in Canada even today that we are trying to pay a supplement to those Canadians who are the most

vulnerable. The Quebec government has just cancelled the increase which social welfare mothers were supposed to get. It is somewhat ironic that it now seeks supplements for people who already hold good jobs. But we shall certainly look into these proposals. We have just reviewed our estimates, and under the Canada Assistance Plan, $575 million are earmarked again this year for Quebec. We intend to wait and examine the situation.

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

In view of the study conducted by the health and welfare department on the establishment of a national guaranteed minimum income scheme, reports of which were distributed to members, does the minister intend to pursue this line in order to achieve these objectives which would, in my view, help fight poverty? I am thinking only of the national level, disregarding the position of the provinces in this matter.

Miss Bégin: It is very difficult in the present climate of economic restraint in Canada and in each of the provinces to speak of a universal guaranteed annual income scheme—which would be the ideal—unilaterally funded by the federal government, for the simple reason that it would cost $7 billion. I have just received estimates in this regard. However, it is possible to implement selective programs aimed at the most vulnerable and needy groups, such as children living in poverty, and that is why we will continue to adopt such measures as the child tax credit.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

"KURDISTAN" INCIDENT—LEGISLATIVE AUTHORITY OF MINISTER OF THE ENVIRONMENT

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is directed to the Minister of State for the Environment and it concerns the *Kurdistan* incident. I hope the minister will agree that having a spotted oil slick of some 35 kilometres in length, the proposal to take one part of the vessel containing tons of oil and sink it in deep water, and the proposal to tow the other section into port constitutes creating a potentially serious environmental hazard.

Setting aside weather, ice and fog conditions—none of which are unexpected in that particular location at this time of year—may I ask the Minister of State for the Environment what his legislative authority is to take action? What act of parliament gives him the authority to act? What action has the minister taken under that authority?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker—

Some hon. Members: Oh, oh!

Mr. Lang: —the reason for my rising after discussion at this moment with the Minister of State for the Environment is that, by and large, much of the authority in relation to the incident is in the hands of the Minister of Transport. There is a variety of pieces of legislation, including those in relation to shipping and those in relation to pollution. I would need to ask the member more specifically what action he would have liked to see us take; then I could recite whether we had authority to do it.

Some hon. Members: Oh, oh!

Mr. Jarvis: Mr. Speaker, that is absolute nonsense. My question is directed to the Minister of State for the Environment. With respect to Canadian coastal waters, including the Gulf of St. Lawrence, the west coast and the Beaufort Sea, is it not a fact the Minister of State for the Environment, despite the potential for serious environmental threat, has absolutely no legislative authority to take any action, except the Ocean Dumping Control Act which the minister knows full well was never designed to handle a situation like this?

Is it not true that the sole authority in this situation rests with either the Minister of Transport or, I presume, in the Beaufort Sea the Minister of Indian Affairs and Northern Development? Despite the environmental hazard, is it not a fact that this minister has no authority to act whatsoever by way of legislation of this parliament?

Hon. Len Marchand (Minister of State (Environment)): Mr. Speaker, I do not know why the hon. member is getting indignant about the thing.

Some hon. Members: Oh, oh!

Mr. McGrath: What is a little oil here and there?

Mr. Marchand: I do not know why the hon. member is waxing indignant about whether I have legislation under my authority or whether the legislative authority is in the hands of another department.

An hon. Member: Who speaks for the environment?

Mr. Marchand: He knows full well that the Department of the Environment does not have regulatory authority over every department of government. The hon. member knows that. He is a lawyer; I am not. I do not see any reason why the Department of the Environment should have all kinds of regulatory powers. We have a lot of advisory powers.

Some hon. Members: Oh, oh!

Mr. Marchand: As long as I am satisfied—

Some hon. Members: Oh, oh!

Mr. Marchand: Some members laugh, but I am sure they would not want me, in the Department of the Environment, to be the pollution czar and run every environmental aspect of every government department, including provincial governments.

Some hon. Members: Oh, oh!

Mr. Marchand: Provincial governments have some authority, too. That is why we work together with them. We work together with other departments and with the provincial governments.

Some hon. Members: Hear, hear!

Mr. Jarvis: To answer the minister's question, I would feel a lot better knowing that this potential environmental threat was not in the hands of the Minister of Transport. That is one reason.

Some hon. Members: Hear, hear!

Mr. Jarvis: If the Minister of State for the Environment is content to play that advisory role, then is his position that the responsibility for the Ocean Dumping Control Act should rest with a ministry other than the Department of the Environment?

Mr. Marchand: No, I did not say that, Mr. Speaker. There are certain acts of government that we administer directly, one of which, as the hon. member knows, is the Ocean Dumping Control Act. The Environmental Contaminants Act and the Canada Water Act are others. We have some of them; but in certain situations I am sure the hon. member does not want me to have all the authority relating to pollution under the Transport Act.

Mr. Jarvis: In this situation, I do.

Mr. Marchand: Mr. Speaker, if it will make the hon. member feel any better, now that the reorganization legislation is going through we in my department are examining all the legislative authority we have. At some point we will bring forward an omnibus bill which will address some of the deficiencies located in some of the legislation we have at our disposal.

I repeat that I do not want to put myself into the position of being a pollution czar, having all regulatory authority in this country to handle every situation. Certainly there must be regulatory authority left with the Department of Transport, the Department of Indian Affairs and Northern Development and other governments. We will have in my department the capacity to make sure that the environmental legislation brought forward through the various departments is adequate and meets the requirements we have as an environment department.

Some hon. Members: Hear, hear!

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REGIONAL ECONOMIC EXPANSION

PROGRAMS FOR DEPRESSED AREAS OF CANADA

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, I should like to direct my question to the minister responsible for DREE. Over the years, complaints have been lodged by some very responsible people, in and out of the House, respecting the accomplishments and the method of administration of DREE and other developmental programs designed for depressed areas of Canada. I think the remarks this morning of Mr. Daigle, the leader of the Liberal party in New Brunswick, make these objections gilt-edged and the source of criticism now has become impeccable.

• (1140)

Will the minister responsible for DREE advise this House whether he has any intention of changing some of the directions in which DREE has been going ineffectually, and will he now consider the objectives promoted by those who have suggested criticism to him by representation both by way of governmental and independent sources of advice?

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, I know nothing of the criticisms or suggestions Mr. Daigle may have made this morning. Of course, I shall look into them with interest, as I always do into whatever suggestions come to me from both sides of the House, as well as outside groups and the provincial governments with whom I have always co-operated closely.

With regard to the possibility of changing the present policy of the Department of Regional Economic Expansion to reflect those proposals, suggestions and criticisms, I can assure the House that I am always willing to do so; I always consider that possibility and indeed the Department of Regional Economic Expansion has shown through the years that it can adapt to constantly evolving circumstances. I can assure the House that we shall continue to do so in coming years. We will continue to adapt to changing situations because that department must in fact take advantage of opportunities as they come along.

[*English*]

Mr. McCain: The press report this morning says that Mr. Daigle also said that if present federal policies continue for a few years, New Brunswick will be in the forefront of the national unity debate looking for a way out or a much better deal, in the same manner as Quebec. I think this emphasizes the seriousness with which those who need this deparment and its effectual administration treat it and its present non-political approach.

Will the minister agree to meet with the responsible authorities and interested parties in that area of Canada where DREE may be applied, and particularly in New Brunswick, to set down new guidelines for more productive and effective expenditures of money for the purposes for which it was developed and which are so badly needed?

Mr. Lessard: Mr. Speaker, I hope one is not going to read the comments of the hon. member as being critical of the provincial government of New Brunswick because, in effect, what DREE has been doing in the last few years is responding to requests, suggestions and proposals by the provincial Con-

servative government of New Brunswick. If this gentleman feels this is not proper and what we have done for New Brunswick should not have been done, I think the first one to be blamed would be the provincial government of New Brunswick itself.

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HEALTH AND WELFARE

POSSIBLE DANGER IN USE OF CHILD VACCINE—REQUEST FOR REPORT

Mr. F. A. Philbrook (Halton): Mr. Speaker, my question is for the Minister of National Health and Welfare. It concerns the recent recall in the United States of a large amount of a common child vaccine, D.P.T., after the death of four babies to whom it had been administered shortly before. These deaths are not necessarily related to the vaccine.

I would ask whether the minister has been in touch with her officials and the United States administration in respect of this matter, and is any action indicated?

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, I will have to inquire and report to the House as soon as possible.

* * *

WEIGHTS AND MEASURES

PROPOSED CHANGES FROM IMPERIAL TO METRIC SYSTEM

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. In view of the fact that on March 17 the minister's department published in the *Canada Gazette* proposed regulations under the Weights and Measures Act providing for mandatory changes from the Imperial to the metric system after June 30 in the retail trade in respect of piece goods, and after December 31 of this year in the retail trade in respect of floor coverings, household textiles and wallpaper, and in view of the fact that there is considerable disagreement in the trade regarding conversion to metric, can the minister advise whether he has had consultations with the Minister of Industry, Trade and Commerce to discuss the use of mandatory regulations, or is it the minister's own decision that the government should proceed by regulation rather than legislation, and thus deprive parliament of the opportunity of a free and open debate?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, I did not have these consultations personally. They were held among officials of my department and other concerned departments. In view of the representations by the hon. member, I will take a second look at this matter, to see whether his complaints are well founded.

Mr. Neil: Mr. Speaker, I would direct my supplementary question to the Minister of Industry, Trade and Commerce. I hope he was not leaving because he anticipated a question on this subject.

In the March 3 issue of the Ottawa *Journal,* the minister is quoted by a distinguished member of the parliamentary press bureau as having said that Canada will have to slow down in its conversion to the metric system to get more in line with the U.S. Would the minister advise this House whether he has agreed to the mandatory imposition of the metric system by regulations drafted by the Department of Consumer and Corporate Affairs, or has he perhaps abandoned his love for the democratic process through which parliament debates and decides questions of importance to the general public?

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): Mr. Speaker, let me answer the last part of that question first. I certainly have not abandoned the democratic process. I have always been prepared to participate fully on the subject of metrification and on any other subject, but in the past I was prohibited by the party I formerly belonged to from participating in debates—

Some hon. Members: Oh, oh!

Mr. Horner: I am not prohibited in any way now, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Horner: With regard to a comparison of conversion to the metric system as between Canada and the United States, in some instances we are ahead and in some instances we are equal. But in every instance in moving toward modernization of our industry, I would rather lead than follow, because if you follow you are naturally behind.

Some hon. Members: Oh, oh!

Mr. Horner: I would like to think that Canadian industry would be world leaders.

Some hon. Members: Hear, hear!

* * *

IMMIGRATION

OPPORTUNITY FOR WOULD-BE IMMIGRANTS TO ANSWER ADMINISTRATIVE OBJECTIONS

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Minister of Employment and Immigration. In light of the fact that his department is contesting in the courts the right of the Canadian Human Rights Commission to question or review the activities within his department, I would ask the minister if he can assure this House that refugees, whether resident or non-resident, who apply to be allowed to stay in Canada shall first of all be told the nature of the objections to their staying in or coming to Canada and, secondly, will they be given a clearly open and personal hearing so they can present their answers to such objections?

Hon. Bud Cullen (Minister of Employment and Immigration): Mr. Speaker, the hon. member was at the committee last night when I made a rather comprehensive response to the church group which came before us with a splendid brief. I indicated that the giving of reasons was something I would pursue. I am having that checked into to determine the best way of doing it.

In so far as personal hearings are concerned, of course, a refugee has the opportunity to make a presentation, to answer questions, to look at the transcript that is prepared and to make any corrections and, for that matter, to make any additions. He has the opportunity to do that in the presence of counsel before the matter ever gets to the refugee status advisory committee; and then, if turned down there, a special review within the department is carried out. Also, subsequent to that there are Immigration Appeal Board proceedings.

● (1150)

An hon. Member: Another hearing.

Mr. Cullen: What is being sought by the New Democratic Party now is another hearing. I am indicating that it then goes back to the Immigration Appeal Board, which makes a determination on whether there are reasonable grounds for believing that a full and open hearing should be held.

I have written to the chairman of the Immigration Appeal Board asking her to look at the representation made by the church group to determine if more cases could be heard. We are all interested in cutting out frivolous cases, because they work to the disadvantage of legitimate applicants. I have asked Miss Scott to look into that aspect.

Mr. Brewin: A supplementary question, Mr. Speaker. To move from the general to the particular, will the minister state whether Mrs. Luchsinger will be given such an opportunity to appear before the Security Advisory Board and present her side of the case, as suggested by Mr. John Carson who is a member of the advisory committee and who recommends such action?

Mr. Alexander: That is my position.

Mr. Cullen: Mr. Speaker, there is always someone around to take credit. The Security Advisory Board was established so that I could refer to it evidence that is presented to me and ask what weight should be given to that evidence. I think they have handled about five cases. At the present time, they are trying to determine a proper and a regular procedure which may very well involve calling in the individual.

I am not saying this is so in the Luchsinger case because I think there is some confusion here. Mrs. Luchsinger is not applying for refugee status. She is here on a ministerial permit and wants landed immigrant status. She is not a refugee. She travels on a German passport, so she is not a refugee from Chile. She can go back to Germany any time she likes. She is here under a ministerial permit and is seeking landed immigrant status: I think that should be made clear.

[Mr. Brewin.]

As far as a personal appearance is concerned, I will be discussing that question with the Security Advisory Board. I think it is a little early to do so now. I have asked Mr. Carson, Mr. Cadieux and Mr. Justice Noel to look at the procedures to determine what would be best.

* * *

WEIGHTS AND MEASURES

ASSISTANCE TO PERSONS REQUIRING TOOLS IN METRIC MEASUREMENTS

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, my question is directed to the minister responsible for the Metric Commission and concerns the assistance program for tool conversion. Some time ago I raised a question regarding assistance of this type for farmers and other individuals.

In light of the fact that the program is now in place to aid employees requiring metric tools, will the department give consideration to broadening the program to assist farmers, carpenters and small owner-operators of local garages and businesses who will also have to convert to the metric system?

Hon. A. C. Abbott (Minister of National Revenue and Minister of State (Small Business)): Mr. Speaker, my information is that they already enjoy some benefit. I should like to take the question as a representation and take it up with my colleague, the Minister of Industry, Trade and Commerce who is very close to this question of metrification and is very interested in all its aspects.

* * *

ROYAL CANADIAN MOUNTED POLICE

McINTYRE REPORT—ALLEGED HARASSMENT BY MEMBERS OF FORCE

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, having received no response to questions placed on the order paper on February 19, I should like to ask the Solicitor General a question respecting a report of Judge Leo McIntyre to the Lieutenant Governor of Nova Scotia in relation to his commission's report of alleged harassment of a doctor by the RCMP.

Could the Solicitor General tell me what action, if any, he intends to take as a result of this commission inquiry. If he does not intend to take any action himself, is he going to refer the matter to the Minister of Justice, to the McDonald commission, to the attorney general of Nova Scotia, or what will be the final result as far as action is concerned?

Hon. J.-J. Blais (Solicitor General): Mr. Speaker, with reference to the hon. gentleman's question on the order paper, unfortunately that has not been drawn to my attention. I would have preferred that the question be answered in that particular context.

The report of Mr. Justice McIntyre was made some time ago. Its details are not fresh in my memory, and I hope the hon. member will permit me to refresh my memory and provide him with an answer in the very near future.

Mr. MacKay: A supplementary question, Mr. Speaker. While the Solicitor General is doing that, would he also indicate in his response, in due course, whether any members of the force who were involved in this harassment with the knowledge of their superior officers of the circumstances which later came to light in the commission's report, were promoted?

Mr. Blais: Of course, Mr. Speaker.

* * *

AGRICULTURE

INCREASE IN COMPENSATION FOR BRUCELLOSIS

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I have a question for the Minister of Agriculture. Because of the importance of the increase in compensation for brucellosis, can the minister state whether he has an announcement to make today.

Hon. E. F. Whelan (Minister of Agriculture): I am in a difficult position, Mr. Speaker. I should like to be able to announce it, but by government regulation it will have to wait for a couple more days.

* * *

TRANSPORT

UNITED STATES OFFICIAL'S POSITION THAT AUTOMOBILE SHOULD BE REINVENTED—MINISTER'S VIEW

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is directed to the Minister of Transport. A few days ago, President Carter's Secretary of Transport, appearing before the relevant subcommittee of the House of Representatives, said, in relation to the slaughter on the highways, environmental problems and fuel consumption, that it was his position the automobile should be reinvented. In light of this very serious proposition, I should like to know if the minister shares his views.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, we have been very concerned about safety problems related to automobile travel, and also pollution and energy conservation. As a result of some vigorous initiatives by the federal government, working with the provinces, we have introduced many safety features which have produced a far better record in terms of accidents, injuries and fatalities than we had before or that anyone had predicted.

In addition, working with the Minister of Energy, Mines and Resources, we have introduced guidelines for automobile manufacturers so that they will have to make significant changes over the next few years, producing lighter weight cars and more efficient engines in order to lower gas consumption on a per mile basis. This is bound to have an important impact on the manufacturing industry.

Mr. Grafftey: A supplementary question, Mr. Speaker. Some years ago, the federal government held talks with officials in the state of New York and with federal authorities in the United States on the possibility of Canada-U.S. co-operation in a publicly-built car in order to set standards for safety and the environment in particular.

Is it possible that now, in view of the declaration of the U.S. Secretary of Transport before the subcommittee a few days ago, that these negotiations could be reopened in relation to a publicly-built car in order to set performance standards?

Mr. Lang: Mr. Speaker, I am always willing to enter into discussions which might promote safety or energy conservation. We take certain initiatives ourselves, of course, and no doubt the United States benefits from them. Just recently we agreed to the investment of significant funds in the development of prototype electric vehicles and the solving of some problems in relation to that type of power for vehicles. I think this is the kind of initiative which is important. Of course, I am always delighted to share this with the United States, as I am sure they are to share their initiatives with us.

* * *

HEALTH AND WELFARE

MEDICAL CARE PLAN—REPRESENTATIONS FROM NEW BRUNSWICK

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, I should like to put a question to the Minister of National Health and Welfare arising out of the continuing controversy surrounding Canada's magnificent medicare plan.

Has the minister received any representations on this controversy from the government of New Brunswick and, if so, what was their purpose?

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, I received a telegram from Premier Hatfield this morning, asking me to convene a meeting of all health ministers and all finance ministers, and putting the blame on doctors for the eventual erosion of medicare. He wants a federal-provincial meeting right away, which surprises me enormously since two years ago the federal government, to be flexible—as we were asked to be by the provinces—gave them bloc funding with fantastically generous payments. These cost-sharing payments will be close to $6 billion this coming fiscal year.

● (1200)

If they cannot put their house in order when they are given the administration of medicare, I do not know how we can do it for them.

Oral Questions

THE CANADIAN ECONOMY

ATTITUDE OF GOVERNMENT TO HIGH RATE OF INFLATION

Hon. Robert L. Stanfield (Halifax): Mr. Speaker, I would like to direct a question to the very nimble Minister of Finance and the Acting Prime Minister. It concerns the extraordinarily complacement remarks made yesterday that the rate of inflation is a little high. With, now, five years since the last election and with the rate of inflation running at about 9 per cent annually, I ask the minister what has happened to the fiery desire of his leader to wrestle inflation to the ground?

What has happened to the assurances given by the government some four years ago that by now we would have a rate of inflation of 4 per cent? Why is the Minister of Finance now almost accepting the current rate of inflation and saying that it is a little high?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, we do not accept the fact that inflation is at a normal level. We are trying to reduce it as quickly and as effectively as possible. Despite the decline of the Canadian dollar in relation to the American dollar, our rate of inflation is lower than that of the United States. However, I do find that it is too high. I would like to reduce it, and I have made predictions that the rate of inflation will be declining to the end of the year.

Most economic spokesmen say that inflation will go down during the year but not as low as everyone would like to see it. Everyone would like to have a zero rate of inflation. It seems to me that because of world conditions at this time, and with increases in the price of oil and other pressures coming not only from internal sources but from external sources, it will be very difficult to reach the goal we have in mind and achieve a very low rate or even a zero rate of inflation. I am quite sure that by the end of the year inflation in Canada will be lower than it is today.

Mr. Stanfield: Mr. Speaker, we have had a succession of assurances and predictions from successive ministers of finance, yet what we have is a state of affairs where the rate of inflation is around 9 per cent and Canadians are now borrowing money to maintain their standard of living.

Does the Minister of Finance and his colleagues say nothing more than "Zap; you are frozen at a rate of inflation of 8 to 9 per cent"?

Some hon. Members: Hear, hear!

Mr. Chrétien: Mr. Speaker, we said that we are having a problem with inflation. We decided to go back to the marketplace. It is a problem that is afflicting not only Canada but everybody else. It would be unrealistic for anyone to say that we can cure inflation just by wishing that inflation would go away.

I have said many times that Canadians over the last year have shown a lot of responsibility; that we have regained our competitive position in world markets and that the competitive level in Canada is such that the increase in unit costs is lower than that in the United States. We have extended our external markets and we put 400,000 Canadians back to work in the last year. Despite the fact that the Canadian dollar is weaker than it was a year ago, the inflation rate is lower in Canada than it is in the United States. That is not a bad performance.

ROUTINE PROCEEDINGS

[*Translation*]

MISCELLANEOUS ESTIMATES

First report of Standing Committee on Miscellaneous Estimates.—Mr. Langlois (Chicoutimi).

[*Editor's Note: For text of above report, see today's Votes and Proceedings.*]

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[*English*]

ROYAL CANADIAN MOUNTED POLICE

TABLING OF ORDER IN COUNCIL RESPECTING ACCESS BY McDONALD COMMISSION TO CABINET MINUTES

Hon. J.-J. Blais (Solicitor General): Mr. Speaker, I have the honour, pursuant to Standing Order 41(2), to table, in both official languages, an order in council providing for access by the McDonald Commission of Inquiry to cabinet and cabinet committee minutes.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Roger Young (Parliamentary Secretary to Solicitor General): Mr. Speaker, the following questions will be answered today: Nos. 225, 723 and 1,236.

I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[*Text*]

ELDORADO NUCLEAR LIMITED

Question No. 225—**Mr. Hnatyshyn:**

Were environmental studies commissioned by Eldorado Nuclear Limited on the Warman area as a possible site for a uranium refinery published in the form of an environmental impact statement in the Spring of 1978 as originally announced by the Minister of Energy, Mines and Resources and, if not, on what date (a) will they be published (b) will there be public hearings on the findings?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology): Eldorado Nuclear Limited reports as follows:

No.

(a) mid-1979;

(b) ENL anticipates there will be public hearings on the findings.

POSTAL SERVICE—FREDERICTON, N.B.

Question No. 723—**Mr. Howie:**

Will the Post Office Department be extending postal services in the Fredericton, New Brunswick area such as mailing counters or sub-post offices?

Mr. D. M. Collenette (Parliamentary Secretary to Postmaster General):

Canada Post is reviewing an application for a new sub-post office in the Fredericton mall. Other than this, there are not any firm plans to extend postal counters or sub-post offices in the Fredericton area.

DEPARTMENT OF SUPPLY AND SERVICES PURCHASING POLICIES

Question No. 1,236—**Mr. Beatty:**

1. Is the information about the purchasing policies of the Department of Supply and Services maintained on a constituency basis?

2. In 1978, by constituency, what was the total amount spent by the Department for the purchase of supplies?

Hon. Pierre De Bané (Minister of Supply and Services):

1. Information about the purchasing data of DSS is not maintained by constituency.

2. Data by constituency can be provided, however, by using special postal code cross reference information supplied by the Post Office. Purchasing information requested is targeted for April 1, 1979, using this method.

[*English*]

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

* * *

POINT OF ORDER

MR. PAPROSKI—DELAY IN ANSWERING ORDER PAPER QUESTIONS

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I rise on a point of order. The parliamentary secretary was doing so well; he answered six questions just yesterday, which was incredible. Now all of a sudden the number is reduced to three. At this speed we would be here for another two years before all the questions on the order paper are answered.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT

MEASURE TO AMEND

The House resumed, from Thursday, March 22, consideration of the motion of Mr. Gillespie (for the Minister of Finance) that Bill C-38, to amend the Excise Tax Act, be read the second time and referred to a committee of the whole.

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, I take pleasure in being able to participate in this debate on Bill C-38, to amend Canada's excise taxes. I might say that it does seem a little late in coming. The Liberal government has always prided itself on being good administrators of the economy and of matters in the House. Nevertheless the budget speech from which this bill emanates was made November 16. It is now March 23 and we have just started debate on the bill. That is a period of four months between introduction of the bill and debate and is a sad commentary on the way the government has managed House business. It is the power of positive failure. I think the people of Canada are catching on to this attitude.

Bill C-38 does three main things. It revises the airline tax, the gas tax and the sales tax in some complicated jargon. I will comment on some of the amendments which the government has made.

The Minister of Transport (Mr. Lang) has been quite vocal in the House, in fact laudatory, of his policy of making users pay. The bill before us increases the airline travel tax from $8 to $15. This is almost a 100 per cent increase. It seems to me that the government has again been guilty of some bad management. Not only has it over-built some airports, but it has faced some very high cost overruns in the contruction of those airports. Other hon. members and myself have mentioned the cost of overruns associated with the Calgary airport and Mirabel airport. The construction costs for Calgary International Airport escalated from $57 million to $127 million, more than double the amount of the original estimates.

The Auditor General said at page 506 of his report:

The air carriers expressed strong reservations as to the immediate need for, and concern about the cost of, new terminal facilities.

It is one thing to have a user-pay policy, but it is another thing to make the users prisoners of government policy. It would be all right if users had a choice between that method of transportation and another method. I could then see the rationale for the Minister of Transport's policy of user-pay. However, in a country like ours where air transport is becoming increasingly important and perhaps even mandatory if Canadian citizens wish to see the country and carry on business, for the government to construct facilities which the airlines did not want in the first place and for which users of airlines must pay—because of the Minister of Transport's policy—is making people prisoners of a taxation system from which they cannot get out. If people had an alternative it

would be another matter, but many of us do not have that opportunity.

Again I mention the construction costs of the Mirabel airport which escalated to the fine tune of $600 million. It strikes me as somewhat ludicrous that the government continually wants to justify the construction of that airport. I now find that when you fly Air Canada from Ottawa to Europe, instead of going to Mirabel which is 100 miles away, you go to Toronto which is 300 miles away. Obviously Air Canada is not crazy about the idea of using Mirabel even though we have this $600 million bill before us plus $1 million a week operating costs.

● (1210)

The government was not able to explain that not only was it costly to over-build the airport, but there would be the additional cost of operating that airport. Now the Minister of Transport through the Minister of Finance (Mr. Chrétien) wants to apply the user-pay philosophy so that the public who are now obligated to use those facilities have to pay twice.

The hon. member for Vegreville (Mr. Mazankowski) made some very useful observations in his speech yesterday. I simply want to repeat some of them. I quote from page 4431 of *Hansard:*

> I have a breakdown of the cost of landing a Boeing 747 in Toronto. These figures are based on October 1, 1978, data. I put these figures on the record so hon. members can be apprised of what it costs to land a jumbo jet. The particular example I will give is of a transoceanic flight with a full passenger load. The costs include the en route North Atlantic fee in the amount of $130; the landing fee amounting to $1,596; the general terminal fee assessed at $267; security charge for 429 passengers at 20 cents per passenger amounting to $86; and the fuel throughput charge for 22,000 gallons at 1.5 cents per gallon, amounting to $330. Then we have a provincial fuel tax on 22,000 gallons at three cents per gallon, which amounts to $660, and a transportation tax, 429 passengers at $8, which amounts to $3,432. When you total all those together, and it does not take into consideration the rental of the airline space for counters and so on, it works out to $6,501 to land a 747 with 429 passengers aboard. Those are the rates effective October 1, 1978.
>
> The impact of the transportation tax at $15 per person will change that $3,432 figure to $6,435. The immediate 30 per cent increase which is going to be imposed on an annual basis over an eight year period when these new landing fees are going to be implemented, will increase that $6,500 figure to $9,604. Those are the kinds of increases about which we are talking.

It costs the airline passenger more to travel. He not only has to pay the extra $7 for the privilege of using the airport facilities, but the extra landing fees. The figures presented to us yesterday by the hon. member for Vegreville do not include the cost of purchasing and maintaining the aircraft and paying the cabin crew and ground crew. Because the minister has over-built the air terminals and because those overbuilt air terminals cost more to maintain—

Mr. Mazankowski: And the aborted ones like Pickering.

Mr. Friesen: As the hon. member for Vegreville says, and the aborted ones like Pickering. All those costs are written into the extravagances of this government. Now the minister wants user-pay. Frankly, the passengers have been used. It is no longer user-pay; it is the used who have to pay.

[Mr. Friesen.]

The bill also deals with gasoline tax. I remember the time about four years ago when we increased the tax on gasoline to be paid to the federal government to ten cents a gallon. The then ministers of finance, two ministers ago, said that much of that tax would ensure conservation of our oil reserves. The excise tax on light aircraft and outboard engines was being imposed in order to help conservation.

Now we have an entirely new tack. Parenthetically, we worried at that time about the government policy that the ten cent tax would be refundable to businesses, fishermen, logging companies, farmers and so forth. We wondered how much of a bureaucracy that would involve, how many people would be hired to count the receipts submitted by those people, how many people would be required in national revenue to tally the receipts and make sure the deductions are legitimate.

Members receive a lot of representations asking why the tax is ten cents a gallon. Rather than increase the tax ten cents a gallon for a few, why not make it five cents a gallon for everyone and cut out a lot of the bureaucracy? Again the government does not pay attention. The argument is conservation; we are going to save energy.

Clause 14 includes a schedule which indicates a special imposition for those with cars that use non-leaded gas. I thought the additional gadgets on these cars were to be pollution control devices. Canadians were encouraged to purchase cars which use that kind of gas. In clause 14 there is a new category, and I quote:

1. Petroleum products, namely,
   (a) gasoline, premium, no lead.....1.3 cents per litre;
   (b) gasoline, grade 1.....1.2 cents per litre;
   (c) gasoline, grade 2.....1.1 cents per litre;
   (d) gasoline, no lead.....1.1 cents per litre;
   (e) diesel fuel.....1.0 cents per litre;—

The government says it wants to encourage economy. It wants to encourage the use of anti-pollution devices on automobiles and then taxes those who co-operate with the government. I wish to quote from a letter I received from a constituent dated February 14, before this tax was added:

> Why is it that the person who operates a pollution controlled vehicle has to pay more for his gas? Don't you think the users of regular grade gas should pay the shot for polluting the atmosphere? I see no great problem for the government to reverse the tax to encourage the use of pollution controlled vehicles. If this is not done soon I will remove the controls from my vehicle so that I too can enjoy cheaper driving. I know that the gas companies claim that the higher price is to pay for new equipment, so it is up to the government to make the ones who are doing the polluting pay for this lopsided public nuisance. I would like some kind of an answer on this subject.

Although I have written to the minister, I do not expect an answer that will satisfy my constituent or myself. Last week I spoke to another constituent who had just come from the garage after having the anti-pollution devices dismantled on her car in order to be able to use regular gas.

People who purchase cars that use unleaded gas which is required for the anti-pollution devices are being punished three times. First, they have to pay more for the car. They have to pay more when they buy a new car. I suppose they have to pay more for servicing, too, because of all the extra gadgets on it;

and now they have to pay more for the gas they use. The minister of the environment is calling for a reduction in pollution. Mr. Speaker, the minister of the environment has an office in those new buildings in Hull and his department is pumping raw sewage every day into the Ottawa River.

● (1220)

Some hon. Members: Shame!

Mr. Friesen: That is the kind of leadership we get from this government. Here, in the bill before us, unleaded gas costs more, by reason of a tax, than other gas.

An hon. Member: Read subsection (d).

Mr. Friesen: I did. That applies to unleaded, unregular gas, but if you use a premium gas you pay more tax on it than on any of the other classes. I believe the government needs to readjust its vision with regard to these matters although I have little hope of that happening.

When the Minister of Finance made his speech last November, he said, among other things:

> In my view, the special 10 per cent excise tax on marine engines and private aircraft and the 5 per cent tax on motorcycles are having adverse economic effects. The contribution of these taxes to energy conservation has been minimal.

I guess that jargon is the minister's way of saying the tax did not work. I wish he had put it as plainly as that. He probably could not police the application of the tax—he had no way of collecting it properly. He could not handle the administration.

I have one final comment and it relates to the reduction of the sales tax from 12 per cent to 9 per cent. Again, this was a good idea badly handled. As the hon. member for Battle River (Mr. Malone) told us last night, one automobile dealer in his riding said he was able to handle it because he had two sets of cars on his lot: one part of the inventory he had bought before the tax reduction was introduced and the other part consisted of cars he had bought afterwards. So there were different prices on what were virtually the same cars. He bailed out of it at the cost of $12,000 to the business and I suppose his loss will be deductible as a business expense.

But what about the customers who suffered? What about the loss of sales? Since the government took so long to bring down a budget in the first place, and since it has taken so long to bring down the resulting legislation, surely administrative changes could have been made so that the car dealers, the furniture dealers and businessmen across Canada could derive a decent advantage from the decision made by the minister and not be punished for the government's bad management.

I do not expect many answers to these questions from the government side. After all, they have not been forthcoming in months past and I do not look for any help from them this time. At a time when they are trying to bail themselves out before an election, I look for more band-aids; I do not expect any solutions.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I should like to take a few minutes to state my views on that famous Bill C-38, and Act to amend the Excise Tax Act. This bill would implement the excise tax ways and means motions tabled in the House by the Minister of Finance (Mr. Chrétien) on November 16 and on January 25 last. This bill would implement the terms of the budget affecting in one way or another the Excise Tax Act. However the bill does not particularly affect Quebeckers and Canadians. For that reason, I do not wish to spend too much time analysing that legislation. I will therefore criticize the bill while explaining the legislation at the same time.

In the first place, the provisions deal with the transportation of an individual by air. The government wishes to increase the tax it collects on the price of tickets from passengers travelling in the taxation area, that is in the North American zone, including the United States, except Hawaii, Canada and the Miquelon Islands. The tax would be raised from 8 to 15 per cent, the ceiling being $15 instead of the current limit of $8.

The tax levied on international trips was to go up from $8 to $12 during an undetermined period of time before reaching the ceiling of $15. However, the government has elected to combine both phases in one single operation. The purpose of that tax is to make users of those services pay for maintenance costs of national airports. The government thus hopes to increase its revenue by more that $72 million for the 1979-80 taxation year. Such a step is surely advisable, but before triumphing we should make sure what is the percentage of the cost effectively paid by users.

In addition, the government is amending clause 21 in Part III of the legislation dealing with the excise tax on cosmetics, jewellery, radio sets, etc. Thus, it is proposed to increase the tax on gasoline for cars as it is delivered at the service station, whether it is operated by the producer or somebody else. The gasoline is normally taxed when delivered by the producer to the independent retailer. However, when the producer also operates the service station, the legislation now provides that the payment can be deferred until the gasoline is sold to consumers.

● (1230)

The new legislation will therefore streamline the procedure. The government also proposes that persons seeking repayment of the special excise tax on gasoline or the federal sales tax on taxable items are entitled to the same scheme as taxpayers who are permit holders under the act. Because of this change, any person making a false statement for the purpose of obtaining repayment or failing to reimburse any overpayment, would be liable to the same penalty as any taxpayer who holds a permit as a retailer in similar circumstances.

The purpose of the third subclause is to provide for an excise tax exemption in the case of gasoline or aviation gasoline

which is sold to a person to whom a bulk permit has been issued for use by this person. When the holder of such a permit uses these privileges for purposes other than those described in this subclause, the permit holder must pay the special tax as any other taxpayer. Bill C-38 deals with the general reduction of the sales tax imposed on all manufacturers by the Canadian government. As hon. members doubtless know, this tax imposed on November 16, 1978, was lowered from 12 to 9 per cent on all goods sold by manufacturers and wholesalers who are permit holders and on all imported goods.

Clause 4 confirms these policies. However, the government maintains the 12 per cent sales tax on imported and domestic wines. The purpose of subclauses 2 and 3 is to provide that the consumption or sales tax in the case of goods produced or manufactured in Canada for use by the producer or manufacturer be payable at the time the goods are used or appropriated for use.

We could state again here the opposition our party made to the reduction of the federal sales tax during the debate on the budget in November of last year. As a matter of fact, the reduction which the government proposed was only 3 per cent, while our own party proposed the complete elimination of the federal tax. What is more, since foodstuffs are goods of primary necessity, the consumer should benefit from a full exemption of the sales tax, so that have-nots may eat better for less money.

In Bill C-38, there is a tax of only 5 per cent imposed on food. It states that the governor in council . . . and I quote:

—may make regulations exemption any class of small manufacturer or producer from payment of consumption or sales tax on goods manufactured or produced—

The purpose of this amendment is to exclude from these benefits all firms which are not provided for under this clause, including larger corporations which publish printed matters for their own use, so that they may not be eligible for the exemption on their printed matters, unless the value of such printed matters is great enough to warrant an application for a licence.

Once again I see in that bill an invitation to favoritism since the department staff will determine what groups can benefit from the tax exemption on gasoline and aviation gasoline. How easy, what a splendid opportunity for bribes, Mr. Speaker! In addition, tax reimbursements resulting from the Tariff Board decisions cannot be made until the year after the taxes were paid. At the present time taxes are simply carried over to the following year. The new act would extend the reimbursement period to a four-year period. In fact, clause 9 would change clause 8 mentioned above and apply to any reimbursement of the special excise tax on gasoline or the federal sales tax on all taxable goods. Clause 10, Mr. Speaker, stipulates what penalties are incurred by whoever does not respect the provisions of the act. Finally, the Excise Tax Act is amended by cancelling the special tax of 5 per cent on big motorcycles and the special tax of 10 per cent on marine motors of over 20HPs and aircraft belonging to individuals or companies.

Repeal of sections 10 and 12 of schedule I cancels the excise tax on those items. That tax had been justified by invoking the energy crisis. Today, when the government passes Bill C-42 to conserve energy, to allot oil supplies, it cancels the special tax on luxury cars that burn a lot of fuel. That attitude proves again the lack of planning this government has shown ever since it came to power. The other clause amends section 12.1 of schedule I of the present act, to take metric measures into account. In addition, clause 13 proposes that some consumer goods be completely exempt from the consumption or sales tax, such as solar water heaters and devices designed to convert sound to light signals for use by the deaf in telephones, door bells, timers for stoves and other similar goods. This last measure will give the deaf greater access to the technologies that can allow them to lead more normal lives despite their handicap. It also exempts from this federal tax all thermal insulation. Thermal material and rolls will continue to benefit from the exemption provided they meet the requirement of a thermal coefficient that is superior to 2.4 per inch.

• (1240)

The exemption on thermal insulation materials would be allowed only if the sheets or boards had a total thermal resistance of not less than 3. This clause abolishes the special provision for hard-sided trailers which were taxed on only 75 per cent of their selling price, which meant that the rate of the federal sales tax was actually 9 per cent. Therefore, the government acted dishonestly in leading Canadians to think that the general reduction of the federal or consumer sales tax to 9 per cent would allow this exemption to continue. However, we cannot take it for granted that the manufacturer will pass on to consumers this 3 per cent reduction. It has indeed been shown on several occasions that the federal sales tax reduction is only partially passed on to consumers wishing to buy a hard-side trailer. The government is thereby increasing the housing costs of people who often purchase these types of homes because they cannot afford a single family dwelling. This policy could be detrimental to some Canadians. Through this clause, the Minister of Finance (Mr. Chrétien) is putting an end to the federal sales tax exemption on double windows, double doors and other such items. The government says: "Since glass is not as efficient for energy conservation as walls, the exemption has not achieved the aim initially envisaged."

Is the minister encouraging Canadians to build homes without doors or windows, because such things increase the loss of energy from dwellings? Schedule IV of the bill contains a chart on metric equivalents which must be respected to convert Imperial measures into European measures. It gives the excise tax on Imperial and metric measures of gas.

Finally, a clause gives the governor in council the right to simply repeal by order part II of the bill if he deems it

obsolete. No matter what kind of legislation is passed and accepted by parliament, it is always the minister who has the final word. It is called the governor in council, but in fact it is the minister who decides. If he decides in his great wisdom to simply repeal the legislation passed by parliament, that is up to him, and there is a clause protecting him. That is indeed provided for in all bills. That is why I often say that there is no use debating a bill for a week, two weeks, a month, two months, when we know in advance that two or three weeks after the minister can stop or restrict the application of the legislation. Clause 17 explains the procedures the members must go through in order to review the order made under the preceeding clause.

The hon. member for Edmonton West (Mr. Lambert) explained during his speech last Monday that the practice adopted by the government whereby it introduces regulations greatly restricts the debates following the tabling of the order abrogating this amendment to the Excise Tax Act. Since we do not know now when the government will withdraw the legislation that it hopes to pass today, why does it want to restrict uselessly and illogically the length of a future debate? The hon. member for Edmonton West concluded his speech in the House by saying:

> Here is another closure motion. Are we going to get this as a regular practice in every bill, that it will be provided that there shall be a motion for some consideration by parliament, that parliament will be able to debate that motion for three, five, ten or 20 hours, and then it will be brought to an end? What an easy way out for a government to take. We will be told ahead of time, by statute, how long parliament shall debate any question.

In view of this statement made by the hon. member, I would simply like to say that when we pass legislation according to the procedure followed by this parliament, we always wonder how long this legislation will last before senior officials decide that it is no longer useful. Mr. Speaker, I believe that when the government wants to make important changes, it should simply have to come before parliament and ask that clauses giving the government authority over parliament be withdrawn. This is something that I have never been able to accept.

Once again, we are considering a bill which will give supreme authority to senior officials since we all know that they are the ones who control all the actions of parliament. This is understandable since a minister who has just been appointed to a department certainly does not have the knowledge required if he does not have the help of his officials to compare all the legislation affecting his department. Moreover, I believe that it would be difficult to ask a minister to tell his officials what to do. Most often, it is the officials who tell the minister what to do. This is why I say that, finally, when we abrogate legislation passed by the government, it is the senior officials who have decided in all their wisdom that it was time to abrogate this legislation or to amend it according to their wishes.

When we see departmental officials acting like this, we always say: It is for the good of the citizens! It will create jobs! However, since these decisions are made by senior officials, their interest lies in creating jobs in the public service to increase their army. This is why in the last several years we have seen government expenditures soaring to 41 per cent of the gross national product when we know that for many years the GNP has increased on the average by 4 per cent a year.

In addition to that increase, we still have to pay for more civil servants, 41 per cent of that same increased product. Then, Mr. Speaker, you no longer wonder why it costs so much to administer this country. Why does it cost so much? Because we have too many unproductive jobs, and I have always said in this House and I maintain that productive jobs are in manufactures, industries, in other words industrial jobs. Let us have those, but office jobs are unproductive jobs that eat away the revenues of this country. And today the emphasis is on office jobs and industrial jobs are entirely forgotten. As long as the government fails to take its responsibilities, as long as it leaves the country's administration to a bunch of senior officials against whom it can do nothing because it needs their work and their help, I believe we will continue to pay for the administration, and that is what is happening right now with airports, Mr. Speaker.

Just think that on top of the taxes people were already paying for airports the government is going to charge another 15 per cent to the people who already paid a lot for a ticket, not to improve transportation but to pay for the airport deficit. I do not know if the minister even thought about making a little investigation to find out whether it might be possible to reduce administrative costs before continuing to empty the pockets of Canadians.

With a small population of 22 million or 23 million and budgets running to $57 billion with a deficit of $12 billion, we are spending $69 billion to administer 22 million people, Mr. Speaker. That is not normal. So they simply say that they have to raise general taxes. They are going to make the user pay. But he already does, Mr. Speaker, and he is paying a lot more than he should. Let us take Air Canada, it is understood that deficits are paid by the government, but private airlines serve an entire area. We have already asked the government in the House to assist such small private airlines, but we have to pay.

I live in a region where private airlines operate and if such airlines at least received small subsidies to help them a little. However, the large state airlines are heavily subsidized and we have to pay to make up the deficits incurred by Air Canada. We are people who pay for the chief who travels in a Cadillac while we go on foot. It is the same thing. I think that if the government instead of taking such a step today had tried to help smaller lines, it would not take much to get those lines to improve their service. Air Canada gives excellent service. Small wonder! With all its millions and its deficits we have to pay, and especially with the type of airports like Mirabel we build for it! Now we say we may have made an error! There were no good enough bureaucrats to knew beforehand that

such a white elephant would not have enough customers. If they could have built that airport in marble they would have done so. Now we ask passengers to pay for all that, to pay for the government's stupidity.

Mr. Speaker, Bill C-38 gives us an example of maladministration by this government. Once again they want to take money where there is none, namely the users' pockets, but in the same breath they also supply the big monopolies with terrible exemptions. Of that there will be plenty, because big monopolies are protected. Anyway, we will see legislation come forward to show us how monopolies operate, to show us the two major parties competing to save the monopolies. Mr. Speaker, I will conclude by saying simply that we do not agree with all the clauses, especially when it comes to imposing an extra 15 per cent users' tax.

• (1250)

[*English*]

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I should like to raise two matters. One involves the changes the government has been making over the years in terms of insulation and energy saving devices, whether they be solar or otherwise. The government has not done anything to encourage the entire energy industry. Whether it be solar, wind or any other type of alternative energy, the government has not done anything at all. I think such help would have been a great advantage in developing the energy industry, and we would have been farther along the road in terms of the development of the forms of energy currently used, such as thermal, nuclear and hydro.

Now the sales tax on solar equipment is being removed. We have known for a long time that we would have to look at solar energy. We are only now part way along the road to removing some of the tax on the energy industry. As I understand it, it will be applied only to a limited number of companies under exceptional circumstances. Thus there will be no easing of manufacturing costs in developing new types of solar energy.

One thing the minister has done indicates the bureaucratic mind of his department better than any other example. I am referring to the matter raised last night by my colleague regarding windows. Suddenly the officials have decided, after a long period of time when we said people should instal bigger windows in their houses, that big windows are a heat loss factor and perhaps a tax should be placed on them. If the officials were only a little smarter, they would realize that if another pane of glass is added the "R" factor would be increased. Instead of using double seal glass, one could use triple seal glass, with three panes, which would result in the same "R" factor as one would from the best insulation.

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

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

At one o'clock the House took recess.

[Mr. Gauthier (Roberval).]

• (1400)

AFTER RECESS

The House resumed at 2 p.m.

Mr. Peters: Mr. Speaker, before lunch I had mentioned the fact that the government never seems to be well informed about changes that are taking place in manufacturing. We are continually plagued with the application of taxes for purposes other than that of raising money. With this change we find a tax on windows in the hope that people will curtail the size of windows in their houses as an energy saving measure. I suggest that if we were to adopt the newly designed thermal panes with triple glass we would find they would save more energy in that they are rated with an insulating factor of between R-9 and R-12.

In this field of solar energy and energy saving devices we have been plagued by a lack of knowledge on the part of the department regarding the use of much of this equipment in an experimental way. We are continuing to tax those who want to experiment with various types of energy saving devices such as solar equipment. We write into the bill a provision to reduce the tax on some solar equipment but we keep it on other equipment that may have been used in the past for air conditioning and is therefore more of an energy using device than energy saving. As the industry changes, heat pumps and things of that nature may turn out to be energy saving devices when used in some installations rather than energy wasting.

• (1410)

It is probably safe to say that since the last war we have been receiving letters from the jewellery industry which has been plagued with exceptionally high taxes. There was a luxury tax on jewellery during the war as well as other taxes and in many ways that has continued. The 10 per cent tax added to the 12 per cent tax makes it a very heavily taxed industry. For those manufacturers who make money, there is an additional 40 per cent income tax.

The industry has pointed out to the minister that there is a demand for jewellery in Canada. This government is often accused of being opposed to matrimony; they have been opposed to the marriage structure per se. My colleague would point out very readily that a spouse in this country is an attachment that costs money, not one that provides money. An old age pensioner with a spouse obviously does not receive as much pension and allowances as two people just living together.

The jewellery industry is interested in the matrimonial business but few people are buying jewellery. The industry is subject to a sizeable tax which realizes only a small amount of money. Few young people in this country have not thought of buying jewellery, mostly in connection with a wife to be or a wife already acquired, so much of the industry is involved with matrimony.

About 250 jewellery companies employ 5,600 production workers and 1,500 salaried workers. It is 90 to 95 per cent

Canadian-owned and most of the small, private companies operate in both the wholesale and retail markets. The distribution arm of the industry employs about 11,000 people.

This small industry is subject to an excise tax of 10 per cent on top of the 12 per cent federal sales tax. As well, there is the manufacturing tax and all the other taxes. The Minister of Consumer and Corporate Affairs (Mr. Allmand) has pointed out that between $2 million and $4 million worth of jewellery is smuggled into this country. That is almost equal to the drug industry. The industry is opposed to smuggling because, first of all, it gives it a bad name and, second, it does not allow it the total business which would be available without smuggled gold and silver.

I am interested in seeing the consumption of gold, whether in gold bullion coins or jewellery, climb to the point that it will ensure the operation of gold mines in Kirkland Lake. For that reason I should like to see smuggling stopped and our own jewellery industry enjoy the increased business. For every job in gold mining, 14 secondary jobs are created.

I do not know whether the minister will do anything about this in the future, indeed, I do not know if he is going to be the minister in the future, but I should like whoever is minister to give consideration to this industry. It is a long time since the last war and the luxury tax on jewellery should be eliminated by now.

When people travel to other countries, they sometimes receive gifts they do not know the value of and get into trouble with the law when they try to bring them home. They are often law abiding people who just do not understand all these taxes.

We would like to finish this bill today, Mr. Speaker, and clear the platter of all those things that have been hanging around for some time.

I would be remiss if I did not join with those people who have been diligent in examining the changes made in this bill which, in effect, rewrite the rules of the House. Quite often our rules are modified in light of changes that take place, with the object of attaining more efficiency and assuring the protection of members. For the past 20 years each parliament has lasted about two and a half years and it is quite possible the changes will be more frequent. Since most members cannot participate in this type of debate, it therefore seems to me it is an abuse for the government to write a change in the rules of the House into legislation. We have seen four or five such bills.

● (1420)

I have some advice that I can give to the next minister of justice. I say to him fire whoever it is in the department that is writing these bills. Otherwise our Standing Orders will be rewritten but there will be no need for them; instead our Standing Orders will be coming from legislation and every time we look at the legislation we will find a different set of Standing Orders under which we must operate.

The rules of parliament, the precedents of Beauchesne, Knowles, May and others who have established them in years gone by have been written after conditions have developed that have made it advantageous for people to make the changes. These changes are always made with someone saying: "Do not go too far; we still want some rights". Perhaps they should be curtailed but people still want to know what their rights are. Surely even the majority should sympathize with that position. In a democracy no one can say before an election which party will be the government or which party will be the opposition. The rules are written in fairness to both sides.

I would like to see the minister remove everything from clause 16 on. There is absolutely no reason why clause 16 or anything after that should be there. If you want to table the report in parliament, that is fine, but I do not think even that is an absolute necessity. What will we be appealing, Mr. Speaker? We will be appealing the landing tax, the tax on solar energy and tax structures, I suppose even to the extent of whether we like them. If we do not like them, we can change government and the new government will put in different ones.

If it is stated in the bill that 50 members must agree it should be done, it is not a change in the constitution. It is not a major change in the democratic process of the nation. It is not a matter of whether Quebec can secede from the country or of getting rid of the Senate. This is a tax matter. We are saying that 50 members must sign for an appeal. Sometimes it would be impossible to find 50 members in opposition. I can remember when the Liberal party did not have 50 members. Even if they all signed the document, nothing would happen. But they figured they were an important bloc of the day. They considered that they were so important, even with only 50 of them, that they should be the government.

There is absolutely no need for a motion of this kind to be written into a bill. If we want any legislation in parliament to be subject to appeal, we should write a section into the Standing Orders, and we would be able to appeal in an orderly way. That has not been done because members of parliament would not agree. Maybe there are 20, 30, 40 or 50 members here today, and perhaps there were 50 members here yesterday, but it is not likely that 50 members will look at the clause or give any consideration to it. A vote will be taken at the end and the members will be called in, they will not have the faintest notion about this section, but they will pass it.

I suggest that when we write into bills limits for debate, limits for appeals, and limitation on the time in which appeals can be made in allowing parliament to consider any piece of legislation, that is changing the law. That is making a new rule book, Mr. Speaker. We do not have an umpire to make a decision. We do not ask the Speaker of the day to be the umpire. We make the rules and the Standing Orders and establish how they are to be enforced.

Under this piece of legislation and under the last two or three pieces of legislation that we have passed there has been a structure allowing for closure, closure long before a debate is held and closure long before anyone thinks about whether there is any reason closure should apply. It is possible that one day there will be a government with such a small minority there will be a question about closure. On the other hand, it is possible that a government will be elected with so large a

majority that they would not consider dignifying closure with making the motion.

There are many things that may happen within the competence of the Standing Orders, the procedures and the precedents that have been established by the British parliament over the last five hundred years and by the Canadian parliament in its one hundredth year. All these precedents have a purpose. They were designed to maintain democracy, allowing a government to govern and the opposition to make their position known and to be prepared to form the government if that is necessary.

I firmly believe that this minister is democratic. Some of the ministers who have introduced legislation are not—for instance, the Minister of Transport (Mr. Lang) and several other ministers. But I am sure this minister is willing to use the democratic process. He is well aware that there are disadvantages to a democracy. It means you have to hear the other fellow and also that you must listen to him for longer than you want to. But he is also well aware that maybe he will be the other fellow next year or in the future. Therefore he does not want to hamstring the system so that it is inflexible.

It is a disgrace that civil servants who think that they have reached the stage of being untouchable can write this kind of closure legislation and that we are stupid enough to pass it. No member of parliament should support this bill with this kind of a clause in it. In my opinion it would be in the interests of the minister to withdraw clause 16 of the bill when we reach it.

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, my remarks in connection with this particular legislation will be very brief. However, I wish to make a few remarks in the presence of the minister after hearing the excellent speech of my colleague, the hon. member for Timiskaming (Mr. Peters).

I wish to lend support to the proposition put forward by members of the opposition generally with respect to the growing tendency on the part of this government to introduce in various pieces of legislation provisions by which parliament is being downgraded, the rights of individual parliamentarians are being diminished, and there is the process we find creeping into more and more legislation whereby, with respect to legislation before the House, the rights of parliamentarians are determined in advance by way of closure.

I want to remind the minister that we have had this provision brought to our attention in legislation before the House now on three consecutive bills. It is not because of a unique or unusual provision in the bill that is required by the nature of this legislation. A similar provision was included in the referendum bill, a bill dealing with the constitution of this country. The rights of parliamentarians are being stomped upon by this government, ostensibly because it is a matter that will be dealt with only in times of emergency. The bill in fact covers a very wide ambit of constitutional change. The rights of parliamentarians are being curtailed. We are limited in the amount of debate we can have. That goes to the very root of our constitution, the very basis of our country.

• (1430)

The next piece of legislation the government came forward with was the bill dealing with petroleum allocation, the so-called energy bill. What do we find in that legislation? In the event the government determines that we have a perceived or apprehended energy shortage, not a shortage de facto, there is a provision in that bill to limit debate in this House on such emergency to three days.

The next piece of legislation the government brought forward dealt with the Excise Tax Act. As members on this side quite rightly point out, the tendency of this government is to downplay parliament, to diminish the rights of each and every member, including those on the government side. Here we have a similar kind of provision. It has the effect of limiting debate with regard to particular orders filed under clause 15.

I hope and trust the minister will address himself to this provision during the course of committee of the whole. There is a growing concern not only in this House but by editorial writers and indeed the people of Canada that this government has come to the conclusion that the rights of parliament should be curtailed on each and every occasion where it may be inconvenient for the government to explain or to bring a matter before parliament.

Mr. Chrétien: There is a debate.

Mr. Hnatyshyn: I am glad the minister acknowledges the fact that in parliament we will have an opportunity of debating this bill. Do hon. members know what kind of debate the minister is talking about? He is talking about five hours. After redistribution we will have more members in this House, 282. If we take off 24 or 25 for cabinet positions, there will still be a substantial number of backbenchers, approximately the number of independent members we now have, those who are not members of the cabinet. Let us assume there is a matter of some interest to the majority of the members of the House. Divide the number by half and you get how many may possibly participate in the debate.

Mr. Kempling: Three minutes each.

Mr. Hnatyshyn: My colleague says three minutes each. The way this place operates, by the time we went through the various procedures we may possibly get a quick word or possibly only one word from each member. On a matter of substantial importance, debate can be curtailed by this government which has a ridiculous tendency to impose closure on legislation in advance of the debate commencing.

This is not the first time I have spoken on this point. I spoke on the other bills as well. If the government ever finds the time to bring forward the referendum bill, which is of great importance to the Prime Minister (Mr. Trudeau), the Minister of Justice (Mr. Lalonde) and others, I will speak on that as well. I spoke on the energy bill with regard to this matter and I asked the Minister of Energy, Mines and Resources (Mr. Gillespie), as I now ask the Minister of Finance, just what criteria—

Mr. Chrétien: Let's go to the clause.

Mr. Hnatyshyn: I know the minister is nervous, embarrassed and ashamed of this bill.

Mr. Chrétien: I want to debate it.

Mr. Hnatyshyn: I want to debate it too, but I want to make reference to part of the bill which I consider to be regressive in terms of parliament. I cannot understand the mentality of the government and the Minister of Finance in bringing forward legislation of this sort and defending it. I bring this to the attention of the minister now so that the minister can think about this and cogitate before we reach the provision in question. I want him to think about what position he will take with regard to this provision. I consider it to be a regressive principle within this bill.

Mr. Chrétien: Let's go there.

Mr. Hnatyshyn: If the minister will acknowledge now that he is prepared to withdraw this provision from the bill, I will be glad to sit down. Is that what the minister is saying? What does he want to do? I want to know whether the minister is prepared to withdraw this provision. If not, maybe he can keep quiet and leave the heckling to his colleague, the Minister of National Health and Welfare (Miss Bégin).

If the minister is the parliamentarian that he holds himself out to be, if he likes, understands and appreciates parliament, he will not have anything to do with this kind of provision in this kind of legislation. I am going to sit down now because I am anxious to see where the minister stands in relation to parliament.

Mr. Chrétien: Hear, hear!

Mr. Hnatyshyn: If the minister insists on applauding, I will carry on. I am always encouraged when I get a little applause. This is a serious matter and I want the minister to take it seriously. This kind of provision is creeping into more and more legislation brought forward by this government. It is time for the minister to reverse this tendency and move an amendment in committee of the whole to withdraw this very unfortunate provision in the bill.

[*Translation*]

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question.

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

Some hon. Members: Agreed.

Some hon. Members: On division.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Laniel in the chair.

[*English*]

On clause 1—

Excise Tax Act

Mr. Mazankowski: Mr. Chairman, I wonder if the minister could elaborate on this clause. Perhaps he can give us some background as to who is responsible for initiating this clause.

● (1440)

Perhaps at the same time he could attempt to justify his position. How can he agree that the air transportation tax should be almost doubled, particularly during a difficult period of restraint? He is asking Canadians generally to exercise restraint. He is asking labour and industry to exercise restraint. Yet here is a service being provided by the federal government in respect to which the fee is virtually being doubled. The increase certainly far exceeds the rate of inflation in this country, notwithstanding the fact that the rate of inflation is very high.

I am sure the minister heard my remarks yesterday when I read into the record some of the innumerable deficiencies which the Auditor General had noted in his last report in connection with mismanagement, failure to control and cost over-runs for which the Minister of Transport is responsible. The increase in tax represents an attempt to recover those losses, to pay for the waste, the extravagance and the mismanagement which has gone on.

I would also draw attention to the adverse impact this measure would probably have on our tourism account. Yesterday I quoted the government's own report, the recommendations of which run directly counter to government policy. I pointed out that air transportation is a necessity in many of the remote areas in this country, not a luxury. In many cases it is the only mode of travel available and the doubling of the tax will have its greatest impact upon those who rely solely on air transport.

I am sure the minister has been caught in a squeeze. I do not think this is his idea. If it is, I should like him to say so. I think he has been painted into a corner by the Minister of Transport, who has lost control of his department and cannot exercise the kind of management which it needs so badly. It is all very well to talk about user-pay, but the minister tells us that the true principle of user-pay is not being applied. I should like him to elaborate. Is it the intention to attempt to ensure full cost recovery in all cases where government services are provided? The situation now is that the cost of providing man-made facilities and other services relating to the travelling public is the highest in the western world. It is certainly higher here than it is in the United States.

There is at present a dispute going on between Canada and the United States about air fares. Surely in a period of deregulation, Canadians and people generally in North America associate deregulation with cheaper fares. In this case American airlines have been prevented from bringing in cheaper air travel between our two countries. This whole scenario is wrapped up with the cost recovery scheme of the Minister of Transport.

I should like the Minister of Finance to tell us who was the originator of this proposal. Was it he, or was it the Minister of Transport? I believe the hon. gentleman is carrying the can for

the Minister of Transport. Does he agree with the statement of the deputy minister of transport who roundly criticized the Auditor General for calling attention to cases of inadequate cost control and poor financial management within the department?

The deputy minister of finance criticized the Auditor General and suggested that he should mind his own business. Yet the Auditor General is the custodian of the public purse; he is the financial caretaker, the watchdog on behalf of Canadians generally. We in this House have lost control over the public purse by reason of the present committee structure and the closure rule. The Auditor General is now the only one equipped to carry out this task, and he has pointed out that the Minister of Transport has mismanaged the affairs of the department—that there has been waste, mismanagement and failure to consult effectively with the users of the services provided.

I should like the Minister of Finance to make his position clear because we are placing ourselves in a strange situation: on one hand we are attempting to redress the imbalance of our tourist account, while on the other we are imposing heavy penalties on the air travelling public.

Mr. Chrétien: Mr. Chairman, the airports are running up operational deficits which the Minister of Transport wants to reduce by increasing the tax which is specifically allocated for the administration of those airports. I am in a difficult position because the hon. member is arguing about the management of the Department of Transport, its philosophy in terms of air operations and so on. I am not the Minister of Transport; I am the Minister of Finance. The hon. member asked me a question and I answer, yes, the Minister of Transport wanted me to increase the tax in order to cope with the problem of the deficit in airport operations.

I will concede that what is proposed represents a high increase. But there will still remain a huge deficit of $123 million in the operation of the airports so the amount which would be raised would certainly not be sufficient to operate the expensive and elaborate system we have established. Of course, when you travel in Canada you have the advantage of the best airports anywhere. We have fine airports in Vancouver, in Winnipeg, in Montreal, at Mirabel, in Halifax and so on. We have a very good system but it is extremely expensive, and in order to pay for part of this operation the Minister of Transport has asked me to increase the tax. The hon. member asked me who was the promoter. It was the Minister of Transport.

Mr. Mazankowski: Has the minister satisfied himself that cuts could not have been made within the operations of the ministry which would have produced the same amount of money, $72 million, as this tax is expected to generate in the first year of its operation? Further, the Minister of Transport has served notice that landing fees and fees for associated service related to the movement of aircraft are going to increase by six times over the next eight years, at a rate of approximately 30 per cent a year. Is the minister not concerned about the impact this will have on the travelling public and the impact it could conceivably have of further aggravating our tourist trade deficit?

● (1450)

Mr. Chrétien: Mr. Chairman, I think at all times the government has to be preoccupied with increases in the cost of many services. I am not aware of any admission by the Minister of Transport that those costs will increase six times in the next ten years.

Mr. Mazankowski: They will.

Mr. Chrétien: If that is the situation, I have the impression that that is too much, and I think we have to make sure that we live within our means. That is one topic I have been talking about since I was president of the treasury board. We have to reduce the level of increase in the expenditures of the federal government. The hon. member cannot deny that the year before I was president of the treasury board the increase in the level of expenditures of government from year to year, 1974-75, was 25 per cent and that during my tenure I reduced it to around 10 per cent. That was less than the gross national product. However, this is a constant battle we have to keep fighting, and I am pleased that the hon. member subscribes to the principle that we have to control our expenditures.

Mr. Forrestall: Mr. Chairman, the minister obviously is not advised. The officials who are with him at the table apparently are not in a position to advise him. The fact is that with these increased revenues there will be upwards of $90 million in surplus operational revenue for the operation of our 23 major airports. What may or may not be intended is to use the enormous operational surplus to pay off debts for white elephants like Mirabel and Pickering and to make up for the mismanagement and bungling at Calgary. That may very well be. Indeed, it seems quite obvious that that is what is happening. Because of the movement of these funds into a single revolving fund, the minister's colleague, the Minister of Transport, is effectively removing from us in this chamber any real ability to scrutinize the fund and what is being done with it.

Leaving that to one side, the surplus in operational revenue will approach $90 million within the next three to four years. The question of my colleague, the hon. member for Vegreville, is whether the minister is satisfied with this type of rip-off of the Canadian traveller, not to mention our capacity to continue to attract tourists to our country to try to offset our account deficit on that side of the ledger. Does the minister not think that this is in fact a rip-off, and is he not prepared to direct himself to the question of whether the generation of operational surpluses of this magnitude is unjustified and uncalled for?

Mr. Chrétien: Mr. Chairman, I have explained that the total operation of airports is in a deficit position. The hon. member referred to major airports, but we have to provide some services in isolated areas. Even with this tax increase there will still be a deficit of $123 million.

Mr. Forrestall: That is a deficit on capital and everything else, not the operational surplus.

Mr. Chrétien: It is for the total operation. The Minister of Transport appears in other fora. He appears in committes of the House and defends the policies of the Department of Transport. This measure is a move by us to increase a tax. I am not the minister who should be called upon to respond regarding the administration of airports. I have to take full responsibility for this tax increase, but I am not in a position to debate airport operations. I am not the Minister of Transport, nor do I want to be.

Mr. Forrestall: Mr. Chairman, I am not asking the Minister of Finance to assume responsibility for transport in this country, although God knows he probaby would do a better job than the job being done by his colleague. That is not my point. Surely the Minister of Finance has some responsibility to scrutinize the formal requests which come to him from his colleague to increase their departmental capacity to garner revenues. That is what we are talking about. We are not talking about running airports at all. We are talking about whether the generation of a potential surplus from operational revenues at the expense of the travelling Canadian public and tourists is in keeping with practices which are acceptable to the Minister of Finance.

Will we have full user-pay? Will the Minister of Finance direct himself to that simple question? Is he prepared to direct the Minister of Transport to direct VIA Rail to operate cost effectively? Is that what the minister is talking about? Is that what he is trying to tell Canadians? Let him justify with one single reason, if he can, the right of the Minister of Transport on the backs of Canadian air travellers to have an operational surplus upwards of $90 million. As the minister knows, we do not pay the capital cost of operational profits. We never have. This will be an artificial profit to offset, behind the back of parliament, the whims and fancies of an already well demonstrated inadequate Minister of Transport.

There are 101 reasons why the Minister of Transport should resign and go to the Senate along with the Minister of Industry, Trade and Commerce. There are 101 reasons, and I am citing one $90 million reason. Please! Surely we are entitled to some explanation.

Mr. Chrétien: Mr. Chairman, the hon. member has heard that we have a surplus, but we do not have a surplus. After this increase in taxes there will still be a deficit of $123 million in the operation of the airports of Canada. If I accepted the theory of full recovery, the tax increase would have to be threefold. We had to balance that. We decided to reduce the deficit. This tax increase will reduce the tax deficit by $72 million. There will still be $123 million which will have to be paid by the treasury directly from the consolidated revenues of Canada. The hon. member assumes that there will be a slush fund that the Minister of Finance can use, but that is not the case. This will make up just part of the deficit. Canada has a small population, and distances are long. Transportation is quite expensive, and there is no miracle. The money we spend is the money we collect. If we do not collect it one way we have to collect it another way, unless we cut services.

The opposition transport critic argues that the Department of Transport has too many officers and provides too much service and that the minister could have cut even deeper than he did. He can argue that.

Mr. Mazankowski: No. The Auditor General says that, not me.

Mr. Chrétien: Nobody has denied the fact that there is a deficit in the operation of our airports. We are not meeting that deficit. We do not want to hurt travellers too much. We do not want to hurt tourists who come here. This is a question of judgment. It is one of the pleasures and responsibilities of the Minister of Finance not to be in agreement at all times with all people. This afternoon I have to increase one tax, but this is the first time in a year and a half that I have increased taxes. I have reduced taxes since I have been Minister of Finance. In the last budget I reduced personal income tax to the tune of $1.5 billion. I reduced sales taxes to the tune of $1.2 billion. It is true that I am now raising $72 million, but I cannot be accused of being a minister who has increased many taxes. The hon. member would like to blame the Minister of Transport for this increase, but by the nature of my job I am responsible for tax increases and I take full responsibility. I never try to wash my hands.

Some hon. Members: Hear, hear!

Mr. Schellenberger: Mr. Chairman, as I understand the increase in the transportation tax for air passengers, the revenues produced will go into a revolving fund to be used for the airport deficit and perhaps to build airports. Clause 1 would allow the conversion of this tax to a user charge, and therefore the House of Commons would not have the authority we have today to discuss such a charge in the committee or in this chamber. The minister will then have the power—as it says here that the cost will go up six times and the Minister of Finance himself said that this is too much, with which I agree—to use this charge to increase the moneys he will get to offset the deficit. My concern here is that as I look at airports across the country, I see overbuilding at a number of airports and underbuilding at some others. I can quote examples of overbuilding, such as at Mirabel which cost $700 million and now has a deficit of $50 million a year, and at Calgary airport which cost $138 million and will probably have large deficits for a number of years. Then we can look at airports like the airport at Fort McMurray, and the Edmonton airport, both of which have the same number of landings as Calgary or Mirabel but are not large enough for the number of people going through them. The people there are hoarded through the airports.

• (1500)

Mr. Chrétien: Which airport in Edmonton are you referring to?

Mr. Schellenberger: The international airport, the only one under federal control. People there are hoarded through in long lines in the basement. The area for people arriving from

abroad was built in the times of the old Vanguards with 70 passengers. Now sometimes two 747s land at the same time and people getting off these planes have to line up in rows almost city blocks long, waiting for their turn to get to the customs area. This is not fair to these people.

We are now asking parliament to give the minister authority to change this tax to a user-charge, and therefore parliament will no longer have the authority to question it. I am concerned about this change to the user-charge. What is the reason for it, and what guarantees will parliament have that there will not be overbuilding in some areas and underbuilding in other areas, such as I have outlined?

[*Translation*]

Mr. Chrétien: Mr. Chairman, I have nothing to add to the comments of the hon. member. We are discussing of course clauses 14 and 15 dealing with the system as introduced in that legislation to allow the automatic transfer following a debate in the House, because the whole matter could have been done under an order in council, but the Minister of Transport (Mr. Lang) suggested that the House should have an opportunity to discuss it under a negative resolution. The whole matter could have been dealt with through an order in council, but the Minister of Transport, being a fine democrat, wanted to give hon. members an opportunity to hold a debate. Apparently, they would rather have left the whole matter in the hands of the Minister of Transport. If the House unanimously agrees that it be done through an order in council, we could discuss the matter at length when we reach clauses 14 and 15. I was very pleased to see—

[*English*]

—that we were ready to let parliament discuss that for five hours. Apparently now they would prefer not to debate it at all. We are very pleased and consider ourselves fortunate to be debating it on a negative resolution which was not in existence before. I am surprised that both the Conservatives and members of the NDP are so traditionalist in these matters. It is annoying, or perhaps surprising, that I always find myself defending the British system.

In the British House of Commons there are all sorts of regulations permitting bills to be passed in one or two days, allowing time allocation and closure with no problem, but when I want to implement the British tradition, being the good French peasouper that I am, I find those Anglophones opposite opposing me. It is unbelievable. I do not know what is wrong here. I am proud of being the product of bicultural Canada. But let us wait and see what happens when we are on clause 14.

An hon. Member: Triculture.

Mr. Chrétien: Or tricultural Canada, if you prefer. I will be able to debate that provision when we come to that clause.

When the hon. member talks about big airports and overbuilding, I am reminded of the time when I was a backbench member of parliament and was travelling to Edmonton in 1967 because, as the hon. member knows, the hon. member for Vegreville is almost my member of parliament because my family on my mother's side is from there. So we were going to Edmonton in 1967.

An hon. Member: And they vote Conservative.

Mr. Chrétien: I think they vote Liberal, but sometimes they find themselves lonesome, just like the Tories in my riding, who feel terrible. So in 1967 I visited the Edmonton airport for the first time and I noticed that nobody used that airport which was some way away from the city; everyone wanted to use the downtown airport. Everyone referred to the international airport at Edmonton as a white elephant. Now we find that it is used a lot. The same thing will happen probably at Mirabel.

When I visited the international airport at Edmonton in 1967, the airport had been empty for the previous ten years and it was the topic of conversation. The bureaucrat who had recommended its creation had some wisdom, but no one at that time realized it. It is probably the same thing with Mirabel. It is probably one of the most efficient airports. In fact it is so efficient that it looks empty because passengers just go through it and are out within minutes.

An hon. Member: There is nobody there.

Mr. Chrétien: The Russians came to see it. They would like to have the same thing.

With regard to this negative resolution, my friend, who has a funny name for his riding anyway—

An hon. Member: Wetaskiwin.

Mr. Chrétien: We will debate the resolution when we reach clause 15, and I hope we will reach it soon.

Mr. Mazankowski: Mr. Chairman, the minister, in his usual effervescent manner, has attempted, quite successfully, to diffuse some of the very important issues we are trying to raise.

Mr. Hnatyshyn: He gave me the hiccups.

Mr. Mazankowski: He spoke about his maternal foundations in the constituency of Vegreville.

Mrs. Holt: I am from Vegreville too.

Mr. Mazankowski: And now we hear the hon. member for Vancouver-Kingsway has the great distinction of coming from Vegreville also. The only problem is that she was led astray and became involved with the Liberal pack. That is really unfortunate.

The minister, as my colleague from Wetaskiwin pointed out, has referred to the proposal to increase landing fees and other related services six times—that is a fact and the minister can take my word for it because this is common knowledge in air transportation circles and in the Ministry of Transport.

I am surprised when he says that we have the services. They have to be paid for and, if we do not get them here, we get

them elsewhere. I am surprised at him taking such a stand. He is an enterprising person and he knows that competition is keen. He is a competitive person, and the fact of the matter is that if charges of this magnitude are going to be imposed, we will clearly be in a very unfavourable position relative to our counterparts.

For example, the basis of the information I have is provided by the Air Transport Association of Canada which, incidentally, represents some 90 per cent or 95 per cent of all airline revenue in Canada. They point out that the landing fees of a DC9—that is landing fees only, not en route service charges, navigational charges, and an assortment of other charges—are approximately $45. At many U.S. points that charge is only $20 to $25. At the end of the eight year program, that charge will be over $200 in Canada, or more than that per passenger in landing fees alone. A Boeing 747 landing at Vancouver from Toronto would be paying about $1,800, or $4.50 per passenger. The same aircraft landing at Kansas City with about the same passenger volume would pay $200, $400 in Chicago, and $800 in Seattle, which is one of the highest charges in the U.S.

• (1510)

When we take that into consideration relative to the impact on our tourist industry, can the minister tell us whether he agrees with the statement in the report of the sector task force on the Canadian tourism industry? It is indicated in that report that the airport user-pay policy makes Canadian air transportation non-competitive with that of the United States and is detrimental to Canadian tourism. The Minister of Finance is in charge of the over-all economy. He is interested in bolstering the dollar. He is interested in revitalizing the economy. Does he agree with that statement?

Mr. Chrétien: Mr. Chairman, we are dealing with a tax increase, yet we are debating transport policies which are the responsibility of my colleague, the Minister of Transport. Of course I want the tourism deficit to diminish. At the same time we must pay for the services we are providing, which is always the dilemma we face. The hon. member should know that if we do not have any landing fee or any taxes, we will have to collect it in another way. If we do not collect it one way, we will collect it another way. Of course I do not want to increase the $10.7 billion cash requirement this year. I am glad to see the hon. member has the same preoccupation as I on that. I hope he will talk with his leader who has been promising, if his party should form the next government, to cut back taxes to the tune of $6 billion on top of the $10.7 billion deficit which exists at this time.

Mr. Mazankowski: Also we are talking about cutting out waste.

Mr. Chrétien: When we provided various cuts, every member opposite double talked about those issues. They rose and asked why we did not give a subsidy for this or why we cut the subsidy for that. Also they asked why we were not increasing a certain subsidy. Of course it is easy when one is a member of the opposition. But because of that double-talking, hon. members opposite will not have a chance at trying their hand at running the government. Some months ago I thought opposition members had some chance, but they have fumbled it. They became crazy and talked about stimulative deficits. Even the financial critic indicated that it was to be an instant deficit, but I call it a phantom deficit. He indicated that it would be there for a month only. We keep our books for 12 months, so there cannot be a deficit for one month. That is why Conservative members lost their chance at finding the facts. If hon. members have some good facts, they should go before the committee and explain them to the minister.

Mr. Mazankowski: We have some good facts.

Mr. Chrétien: They should give the minister some help. I require the help of hon. members opposite in those fields. In fact, I require the help of everyone. I want to make sure that government expenditure will not increase. I appreciate the good work of the hon. member. He is trying to keep the operation of airports as healthy as possible. But we cannot deny that there is a deficit of $193.7 million in the operation of airports. With the imposition of this tax it will be reduced by $72 million, and I will be left with a deficit of $121 million. If hon. members would like to give me some tips about from where I can get this $121 million, other than cutting programs in the Department of Transport, I would be interested in hearing them. There is nothing I would like to add to the list of people and programs which should be cut in the Department of Transport.

Mr. Mazankowski: When the minister speaks of stimulative deficits and what not, I should like to remind him that he is four-fifths wrong and one-fifth right. If he is looking for suggestions of areas in which the fat might be cut, or where better operational efficiencies and financial management control can be injected, I invite him to read the report of the Auditor General. The minister is a good friend of the Auditor General. He knows the importance of the Auditor General. He does not have to take any advice from me and we do not have to go to committee.

Just to dwell on that point for a moment, the minister knows well that when we were considering the estimates on transport, we had the minister before the committee for a couple of hours, or three hours at the most. The structure of the committee system does not give us the opportunity to deal with these specific issues and to challenge some of the spending programs of the government. Thank God for the Auditor General! The minister should review the facts clearly. If he did so, he would not be as eager to accept the recommendations of the Department of Transport. If the minister looked at the facts very carefully and analytically, I am sure he would tell the Minister of Transport to clean up his act. That is what we are suggesting the Minister of Finance should do.

Mr. Hnatyshyn: Mr. Chairman, it was not my intention to participate at this point, but now that the minister has made an unnecessary and rather shoddy political intervention, I felt

it was only right to rise and bring the minister back to the provision with which we are dealing.

If the Minister of Finance does not want to answer the question, that is one thing, but I am sure he is anxious to get the bill through. The Minister of Finance should let the committee and the country know whether he agrees with that method of dealing with this overwhelming deficit brought about—and I am not being partisan here—in large part by the bungling and incompetence of the Department of Transport under a succession of Liberal ministers. Can the minister give an assessment as to whether this particular tax is counterproductive in terms of international tourism? Does he think that we have gone far enough in this connection and that we must look in terms of the over-all operation? Perhaps this is one instance in terms of taxation policy in which we will do ourselves more harm by increasing this particular tax rather than having it borne by general taxation.

Does the minister think there is something to be said as to how he justifies the imposition of this tax? The minister admitted that it will have a detrimental effect on tourism and travel in Canada. That is what we want to hear about. We do not want to hear partisan political flim-flam. We want to deal with the bill. We want to get down to the nub of the problem before us. The Minister of Finance should be concerned with fiscal policy. Does he have any ideas respecting what level of taxation will cause a serious problem to Canadian tourism? Is this particular tax getting to the point where it will discourage people from utilizing air services and travelling by air in Canada?

[*Translation*]

Mr. Chrétien: Mr. Chairman, this is of course a matter of judgment. Taxes must be paid in every airport. I am told, for instance, that the tax in the United States is 8 per cent with no ceiling provided and that it can reach a higher amount than in Canada. Moreover, had I not been concerned about the level of taxation for tourism, I might have urged the Minister of Transport to recover the full $193 million, but I did not do so. Of course, this is a matter of judgment.

We decided not to exceed $72 million, and this may be somewhat too high. I would have preferred not to have any increase. I would certainly not have wished for an increase, because I recognize that this can be an additional cost for those who visit Canada. However, I believe that in general, most air travellers in Canada are not tourists. They are for the most part foreigners and businessmen who travel by plane in Canada to conduct their daily business and not necessarily as tourists. This is why we did not exceed $72 million, because I believe that if I had insisted that we should recover the full $193 million, this would have had a very negative effect.

[*English*]

Mr. Hnatyshyn: I think the answer of the minister underlines one of the problems we have in terms of fiscal and taxation policies. It is obvious the minister has had no input into this particular tax and has not given one bit of consideration to the over-all taxation levels. He is simply the errand boy with respect to this particular taxation. He has not been consulted and is here as the spokesman for the Minister of Transport, saying that in fact this particular provision has nothing whatever to do with whether we are going to have a deficit. He simply carries out the orders of the Minister of Transport and that minister has his own little theory about the user having to pay.

● (1520)

An hon. Member: And he smiles.

Mr. Hnatyshyn: Yes, physiognomy was the term used in respect of the Minister of Transport who has the ability to smile. I simply say this, without smiling at all, that it is an interesting admission the minister has now made that, as far as he is concerned, he has little control over the level of taxation or this element of taxation by the government, and he is simply here as an errand boy to carry out the philosophy of user-pay which has been imposed as a burden on him by the Minister of Transport. It is interesting to note that the minister feels this has nothing to do with taxation, but results from the Minister of Transport's theory which will be inflicted upon all the people of Canada who use the transportation facilities of this country. Those are the people who will bear the burden of this philosophy. It should be remembered, no matter what kind of rhetoric the minister may indulge in during the course of the election campaign, that this is the policy of this government. I think I have made my point.

The Assistant Deputy Chairman: Shall clause 1 carry?

Some hon. Members: Carried.

An hon. Member: On division.

Clause 1 agreed to.

Clauses 2 and 3 agreed to.

On clause 4—*Consumption or sales tax of nine per cent.*

Mr. Mazankowski: Mr. Chairman, I think we have reached page 4 of the bill and that clause which states:

There shall be imposed, levied and collected a consumption or sales tax of nine per cent on the sale price of all goods—

This represents a reduction in the sales tax from 12 per cent to 9 per cent, which we on this side of the House welcome. However, we on this side of the House have frequently raised points regarding the application of this tax in respect of stock in the hands of a dealer as inventory, on which the dealer has been forced to pay the tax at the higher level and must therefore absorb the 3 per cent differential. This has amounted in many cases to a great deal of money and has imposed severe hardships on the dealer, particularly small dealers caught in the position of having rather large inventories.

It is interesting to note that in the ways and means motion tabled in the House on the evening of the presentation of the budget it was made clear that the new rate will apply to sales by manufacturers and licensed wholesalers on goods sold or

delivered to purchasers and on goods imported into Canada or taken out of warehouse for consumption after November 16, 1978, and that the reduction in the general rate does not have a termination date. That statement generally will be interpreted as meaning when the product is sold to the retail customer, and that is the point with which we take issue.

There are precedents to show that when sales or excise taxes have previously been reduced or removed, funds have been reimbursed to dealers with inventories or stock on hand at the time. I believe there was a precedent in 1958, another in 1974, and it seems to me there was another in 1961 when an excise tax was removed. Inventories in the hands of dealers at the time were subject to remission by the Government of Canada.

We believe the application of this particular measure is very harsh on some dealers, particularly dealers in automobiles, large industrial equipment dealers, dealers handling refrigerators and a host of other items. I do not think the Minister of Finance, being a great supporter of small business and small enterprise, and a believer in the private enterprise system and in the importance of small enterprise to this country, would think otherwise than that a remission should be due and forthcoming to those people who have been left with inventories on hand at the time of the introduction of the budget.

With that in mind, Mr. Chairman, I should like to introduce an amendment as follows:

That clause 4 of Bill C-38 be amended by striking out line 39 on page 4, substituting therefor the following:

"Goods which had not by November 16, 1978, been delivered to the final retail purchaser."

I have this amendment in both official languages and I will make copies available to members on the government side.

Mr. Chrétien: Mr. Chairman, I have written many letters in this regard. I have a great deal of sympathy for the suggestion by the hon. member. We have reduced the tax on almost all items taxable in many fields and it would have been almost impossible for the government to reimburse everyone affected. I have recognized the situation in the letters I have written to automobile dealers, and they are the ones who have raised the most flak. I have been in touch with them and have received some communications. We felt that if we did this for the automobile dealers we would have to do it for everybody else. When we did this previously it was in respect of one exceptional case when there was a reduction on one item, namely, trucks. That was easy because it was easily definable and there was no other sector involved. Sometimes we must have rough justice when a variety of items are involved. We have to keep everybody under the same umbrella in the same circumstances. In these circumstances every aspect of the tax is reduced from 12 per cent to 9 per cent and, unfortunately, it is not possible to make a distinction.

I appreciate the efforts of the hon. member, but I cannot accept this proposition which would in effect increase the deficit of the government by some $351 million. I am sure the hon. member will be shocked to find that he might be personally responsible for increasing the deficit to the tune of $351 million. I had to give him that explanation and I am sure he did not think it would involve so much money. Under the present circumstances I cannot accept the amendment, a move which would cost the treasury more than $351 million.

Mr. Mazankowski: Mr. Chairman, in attempting to justify or explain his position, surely the minister is not telling us that he expects the poor dealers to pay the 3 per cent tax differential. Surely he is not suggesting that they should pay that 3 per cent, but that is exactly what is happening. Having regard to automobile dealers, when the tax was reduced the retail price was reduced automatically, and the dealer who was stuck with the product on his lot had to reduce his price accordingly. Surely he is not suggesting they should pay the $350 million.

• (1530)

Mr. Chrétien: Mr. Chairman, by this time I think most of the dealers will have sold their inventory, otherwise they would be in bad shape. There is always a problem from one day to the other when the tax system is changed. In previous budgets that raised taxes, those people who already had inventory paid less tax than those who bought later, but they never suggested that they would make too much money and should return the money to the government. When taxes were increased the person who had goods before the budget made a profit through having paid less taxes on them.

It is too late now. The budget was presented on November 16 and the inventory has probably been depleted by this time. We cannot make a distinction between car dealers and other dealers. If we were to accept this proposition it would cost the treasury $350 million. It would be irresponsible to add that much to the deficit of the government.

Mr. Kempling: Mr. Chairman, I have a few things to say about this provision. The minister knew when the motion was put in the budget that this was going to cost the treasury $350 million. New automobile models had just been introduced, so surely the officials knew inventories were at a high level in anticipation of Christmas sales. I say this was a cynical move. The ministry knew this $350 million would be swallowed by the retailers. Some of the large ones can write it off through taxes, but the small and medium-sized retailers had to swallow a good portion of it, and so it is a direct loss to them. I say the minister and his officials were totally irresponsible and they should be censured for acting in such a cynical way. I see some of the officials at the table smiling; they would smile on the other side of their faces if they were in the business.

Mr. Hnatyshyn: Mr. Chairman, I want to add a few words. I suggest the government was most incompetent and irresponsible. If it was the intention not to allow dealers to take advantage of the reduction in tax on the stock on hand, then it was a cynical move and a burden on hundreds and thousands of dealers across Canada.

There is some ambiguity in the provision covering this proposal in the ways and means motion. The part dealing with the general sales tax reduction states that the new rates will apply to sales by manufacturers and all licensed wholesalers on

goods that are sold or delivered to the purchaser as well as goods imported into Canada or taken out of a warehouse for consumption after November 16, 1978. To the uneducated eye that provision means that the dealer could have the benefit of the reduction on stock on hand. That is in the publication put out by the minister as an explanation of the ways and means motion. When clarification was sought by the thousands of dealers upon whom a great financial burden is imposed they were told that a bill would be introduced which would specify that the provision does not apply to the stock on hand at the time of the budget.

I want to support the proposition put forward by the hon. member for Vegreville. It reflects what appears to have been the minister's intention at the time of the budget. Perhaps the problem arose as a result of an oversight on the minister's part, but if he had the honesty and the courage to stand up and admit that he was wrong, we could at least dismiss it as another instance of incompetence. I would like to know what the minister feels about the burden he has placed upon the hundreds and thousands of dealers, small businessmen and taxpayers in this country, who have been severely punished through this incompetent provision. I strongly support the amendment put forward by the hon. member for Vegreville.

[*Translation*]

Mr. Chrétien: Mr. Chairman, first of all I wish to rise on a point of order. You could perhaps see if the amendment is in order, because indeed it is not covered by the ways and means motion. Therefore the motion may not be in order in its present form, but I will give you a few minutes to think about this. I would like you to look at this question of procedure. As for the substance, I would like to say—

[*English*]

The hon. member referred to the hundreds of thousands. There are not hundreds of thousands of car dealers in Canada.

Mr. Hnatyshyn: Hundreds and thousands.

Mr. Mazankowski: Tens of thousands.

Mr. Chrétien: Or tens of thousands. There are about three or four thousand.

I should like to make two points, Mr. Chairman. Some years ago we reduced the sales tax on building materials from 11 per cent to 5 per cent in exactly the same way. In one day the tax went from 11 per cent to 5 per cent and no one was reimbursed.

Second, I am not an expert on how car dealers operate, but I know there was a shift in price because of the models and many of the inventory—

Mr. Mazankowski: You are absolutely wrong.

Mr. Kempling: That is wrong.

Mr. Chrétien: Now the opposition seems to argue that I should not have cut taxes. When the tax is changed from day one to day two, the situation is just the same as if the electricity costs for the garage went up. In that case they do not go to the municipality and ask to be reimbursed. When there are other cost increases from day one to day two, that is part of the system. I think some of the costs can be absorbed. I know of dealers who had some special deals with the industry because of their inventory. They had to absorb some part of the cost in the inventory they held, but if it stimulates demand then they can get it back through the number of cars sold because the tax is somewhat lower. The theory is that if taxes are reduced somewhat, the number of sales increases.

The Chair can look into the procedural point, and perhaps the best way to dispose of it is to face the reality that we cannot afford to lose $350 million. We knew that, and I faced the flak. I replied to the 300 letters I received quite candidly and frankly saying I could not do anything. Those correspondents accepted that better than hon. members opposite.

• (1540)

The Assistant Deputy Chairman: Order, please. Perhaps before continuing we should formally propose the amendment. In answer to the concern an hon. member had as to the acceptability of the amendment, in my opinion procedurally it is quite acceptable. There are many provisions for that in Beauchesne's fifth edition at citations Nos. 526 and 527 where it says that reductions can be made in committee so long as the existing tax is not increased. Therefore, the amendment is acceptable. The question is on the amendment, moved by Mr. Mazankowski:

> That Bill C-38 be amended by striking out line 39 on page four, and substituting therefor the following:
>
> "Goods which had not by November 16, 1978, been delivered to the final retail purchaser."

Mr. Towers: Mr. Chairman, I hope the minister realizes that sometimes repentance is good for the soul. There is still time for him to repent because of the error, and perhaps gross misjudgment, he has made. I make this statement with regard to the timing of the proposed taxation. Perhaps the tax should have been changed to coincide with the change in models, namely, from one model year to another. This does not necessarily apply only to the automobile industry, it applies through the whole system including such things as fridges, stoves, etc.

New models usually come on the market in the months of August, September and October. If the government, and the minister, had chosen that period of time to make the change, there would not have been that high inventory on tap with which these small dealers were caught.

I want to explain to the minister something of which he may not be aware. Canada relies to a great deal for its financial stability on the small towns across the nation. I am speaking of small towns with populations of 6,000, 5,000, 4,000 and less. It was the dealers in these small towns who were caught in the middle by the change in taxation at that time of the year. In many cases they have nothing to say as to the number of cars or other products they have on tap at that time. Companies send out products as soon as they are available. It is possible that orders had been placed a year previously. These dealers

were then caught with a high inventory of new models. If the minister can see his way clear to make some adjustment to these people, it will be of real benefit to the small business people who form the backbone of the Canadian economy.

I realize that dealers in large centres can absorb this loss much better than in smaller centres. It is the smaller dealers in small centres who are caught. I hope the minister will repent and give some consideration to this request. I would ask him to be fair to these people who are hurt so badly by the timing of his legislation.

Mr. Schellenberger: Mr. Chairman, I enter this debate because I come from a small riding with 40 small communities, all of which have two or three small dealerships in each community. I have received letters from each one. I suppose it would take me 15 minutes to put them all on the record. I will not do that but I want to be sure the minister understands that there are communities in this country which have dealerships in them run by people who are not rich. These people operate small businesses. Total income for the year for these people is possibly $15,000 to $20,000 on which their families must live. Because of this decrease in tax at a time when their inventories were large, many of those dealers have told me privately that they have lost between $6,000 to $10,000 this year.

I have a letter from an international truck dealer in which it is mentioned that because of the lowering in tax there is a difference of about $1,800 on one unit. If he has 10 units on his lot, although at the time I think he had six or seven units, you can understand the kind of loss he would face in his income.

This amendment asks that consideration be given to those dealers who had units on the lot in stock before November 16, 1978. One of the dealers said:

> The problem relates to the removal of federal sales tax on trucks of 16000 G.V.W. and larger as announced in last week's budget.
>
> It is my understanding that the tax removal only applies to those units manufactured after the budget date. You will realize that dealers having large inventories will stand to lose considerable by having to absorb the amount of tax. It is my considered opinion that all units unsold and dealers inventory should be exempted.

This is exactly what this amendment does.

I have another letter from a small dealership in the city of Wetaskiwin. He says:

> I would like to go on record that in no way can the dealer be expected to absorb the costs of this tax. You can be sure the customer will be insisting on a rebate and rightly so, but not at the expense of the dealer.

Consumers who visit a dealer following the tax decrease mention car prices should drop between $300 to $500. They would look at various cars and ask the dealer if he had knocked down the price. In order to keep his customers the dealer had to answer, "Yes, because of the budget last night the price of vehicles has dropped". But he had to refer to the 10 or 20 vehicles he had on his lot and say; "I am sorry, you will have to buy one of these cars in stock at the old price until I get rid of this stock." In view of that, the prospective purchaser would go to Edmonton or perhaps another larger centre where a dealer sells thousands of cars per year. These larger dealers can put any loss sustained over a much greater volume. The loss does not harm them in the same way it does a smaller dealer.

The minister should show some compassion to the small dealers and accept the amendment put forward by the hon. member for Vegreville.

Mr. Hnatyshyn: Mr. Chairman, the minister in the course of his reply clearly misunderstood what I had been talking about. I said hundreds and thousands. The minister is trying to argue what is a very weak case for him on this particular provision. I am satisfied the minister came into the budge with a statement, realized his error afterwards, and has had to backtrack and make explanations ever since when he realized the full implication of the provision. I wish the minister would get up and admit that that was the case.

The minister tried to suggest that we are only dealing with car dealers. I have to concede that car dealers are an example of independent Canadian businessmen who are most seriously affected by this particular revision. These businessmen have inventories of equipment and goods to be sold to the public, worth quite a substantial amount of money. Naturally people in that particular industry are the ones who will feel the pinch of this rather inept dealing on the part of the federal government with respect to reduction of tax. We are not just talking about car dealers. I hope everyone understands that. We are dealing with retailers of every description who carry goods to which the manufacturers sales tax applies.

● (1550)

Budget night was a great night for the minister with the red rose in his lapel, the new shoes, and his hair combed. It was a great television production. I recall it vividly. He was surrounded by his sycophants who applauded every time the minister raised his hand to give the signal. A lot of people made the mistake of believing the minister when he said there would be a 3 per cent reduction.

I have learned never to argue with the hon. member for Vancouver-Kingsway, not because she is right but because it is just too much trouble. She is a good friend of mine. I will not say more because I know she does not want to interrupt the thrust of my argument.

When the minister makes a presentation in terms of budgetary matters, it is extremely serious when he conveys an impression to Canadians, including consumers and dealers, that a particular tax provision will become effective on the date of the budget. If the minister understood this all along, he should have clarified it in the course of his remarks, indicating that it would not take effect until some time down the road. The implication in the budget papers and the general statement left a distinct and clear impression.

I pointed out the provision in the budget papers, that this would apply effective that date on all sales which took place after the budget was brought down. The parliamentary secretary agrees with me. I appreciate that because the minister would not do it.

Mr. Martin: On a point of order, Mr. Chairman, I was not agreeing. In the context the hon. member was assuming, I was merely making it clear by nodding my head that the minister did indeed in his budget speech make it quite clear, and he has asked me to give notice that no claims will be entertained for refunds of tax in respect of goods on which the 12 per cent tax has been paid. That was in the budget speech of the minister on November 16. It was made abundantly clear there would not be rebates for inventories on hand.

Mr. Mazankowski: That's flim-flam.

Mr. Martin: That is standard practice with increases and decreases.

Mr. Hnatyshyn: I have to agree with my colleague from Vegreville. It falls in the category of flim-flam. It is the opposite to the truth. If a legal expert reads the documents put out with the budget papers, the notice of ways and means motion and so on, he can come to only one conclusion. I quote from the budget papers:

> The new rate will apply to sales by manufacturers and licensed wholesalers on goods sold or delivered to the purchaser, and on goods imported into Canada or taken out of warehouse for consumption, after November 16, 1978.

It is plain and simple. It says everything. However, we find later that it does not apply to sales by manufacturers to dealers after November 16. We have been talking about car dealerships. A car dealership is classed as a licensed wholesaler. Any car dealer would have no difficulty in concluding that it would apply to sales made after that date.

Mr. Martin: By the manufacturer.

Mr. Hnatyshyn: By the manufacturer and licensed wholesaler. I am talking about dealers generally.

Mr. Cullen: You are always wrong.

Mr. Hnatyshyn: The minister says I am never on the side of wrong. That is the distinction. I want to hear the parliamentary secretary explain himself out of this. There has been some great confusion. The parliamentary secretary cannot dispute that on the basis of the volume of mail received by members of parliament regarding this provision. I know there are many dealers in his constituency who are very upset about this provision. I am sure if at all possible the parliamentary secretary would vote for the amendment put forward by my colleague from Vegreville.

Mr. Martin: I believe the hon. member for Saskatoon-Biggar is quoting from page 22 of the document "Notice of Ways and Means Motions". It is important to read the two paragraphs that pertain. The hon. member is referring to sales by manufacturers, and yet the problem that was raised earlier by the hon. member for Vegreville and others relates to the problem faced by retailers. The paragraph from which the hon. member was quoting reads:

> The new rate will apply to sales by manufacturers and licensed wholesalers on goods sold or delivered to the purchaser, and on goods imported into Canada or taken out of warehouse of consumption, after November 16, 1978.

[Mr. Hnatyshyn.]

A further paragraph in that same section reads:

> In accordance with standard practice, no claims will be entertained for refunds of tax in respect of inventories of goods on which the 12 per cent tax has already been paid.

I am sure the hon. member for Saskatoon-Biggar is aware that the tax becomes payable when the goods leave the manufacturer's shop. The tax has obviously been paid by retailers on the stock they have on hand. It is made abundantly clear there will be no consideration of a claim on their part covering those inventories on which a higher rate of tax has already been paid. That is clear as a bell to all of us. I am sure it will be clear to the hon. member for Saskatoon-Biggar as he applies his expertise and takes a closer look at it.

Mr. Patterson: Mr. Chairman, I am in full support of the amendment moved by my colleague. I appreciate that it has been recognized as constitutional by the Chair. The parliamentary secretary made a statement that intrigued me, that it was according to usual or standard practice. I did not think this government was bound in any way by what is standard practice because, with regard to the operations of this House, it has departed so far from the standard practices and principles of the House that we hardly recognize them any more. I could explain that if I had the time.

Progress reported.

ROUTINE PROCEEDINGS

[*English*]

Mr. Huntington: Mr. Speaker, I request unanimous consent to revert to presenting reports from standing and special committees.

Some hon. Members: Agreed.

The Acting Speaker (Mr. Ethier): It is agreed and so ordered.

* * *

● (1600)

PUBLIC ACCOUNTS

SECOND AND THIRD REPORTS OF STANDING COMMITTEE

Mr. Ron Huntington (Capilano): Mr. Speaker, I thank you and my colleagues very much. I have the distinct honour to present the second and third reports of the Standing Committee on Public Accounts.

Some hon. Members: Hear, hear!

PRIVATE MEMBERS' MOTIONS

[*English*]

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

I might draw the attention of the House to the fact that the first three items on the order paper under private members' business, notices of motions, were called and allowed to stand at the request of the government, on March 19, 1979. In accordance with the ruling of the Chair on December 5, 1977, and in conformity with Standing Orders 19(4) and 49(1) these items can be stood a second time only by unanimous consent. If unanimous consent is not forthcoming, they will be dropped from the order paper.

Mr. Herbert: To save time, Mr. Speaker, I will put my remarks into one package. Each member is allowed to put on the order paper one notice of motion at the start of a session and there is a draw for the order in which the motions are listed. These motions were put on the order paper on October 27 last year in the order of the draw. If members are serious they should be prepared to proceed with their motions when they are called. It is for that reason, and because leaving motions on the order paper makes it confusing for other members who are not then aware of which motion should be called on any particular day, that the first three motions on the order paper which are not to be proceeded with should be dropped today.

Furthermore, the following motions—and maybe I am moving a little ahead of the parliamentary secretary—Nos. 21, 22, 24, 25, 26 and 27 which also are going to be passed over today—should be listed as having been called for the first time, in other words, allowed to stand at the request of the government.

The Acting Speaker (Mr. Ethier): I gather from the hon. member's remarks that the first three items will be dropped as I have just mentioned. Therefore, items Nos. 7, 9 and 19 stood at the request of the government will drop. Further, as notified by the hon. member for Vaudreuil (Mr. Herbert), items Nos. 21, 22, 24, 25, 26 and 27 will stand at the request of the government.

* * *

[*Translation*]

DEPARTMENTS AND FEDERAL AGENCIES OF NATIONAL CAPITAL AREA

ADVISABILITY OF PROVIDING ONE ADDRESS AND POSTAL CODE

Mr. Gaston Isabelle (Hull) moved:

That, in the opinion of this House, the government should consider the advisability of providing one address with one postal code for all federal government departments and agencies in the cities of Ottawa and Hull and in the National Capital Region, namely:

Department or agency,
National Capital Region,
Ottawa—Hull,
Postal Code,
Canada.

He said: Mr. Speaker, the contents of this motion might have been dealt with in another way, but I feel I have a duty to put this motion before the House to allow the government to consider the initiative referred to in the notice. There is no need to explain that a number of departments having moved to Hull, there seems to be some confusion within departments as to their postal addresses.

I attempted for a few years to awake departmental awareness to this, and it seems this was not one of their priorities. Confusion ensued and today, looking at the postal address of some federal department buildings, we find addresses such as Northern Affairs, Terrasses Chaudière, Ottawa, Ontario with an Ottawa postal code. It is a well known fact, Mr. Speaker, that Terrasses Chaudière are located in Hull, Quebec, rather than Ottawa, Ontario. The answer I got was that naturally the postal code was an Ontario one because, as you know, postal codes are allocated by provinces.

My point is, Mr. Speaker, that for 50 years the good citizens of my constituency, Hull area, have been waging an uphill fight since 1917 to get their fair share of the moneys spent within the National Capital Region. I do not say this to be critical. I simply want to emphasize the problem we are now facing to present a reoccurrence of such a situation in the future and to avoid offending people and municipalities within the National Captial Region.

I am well aware that this is a new development and that the bureaucracy has perhaps not had the time to get used to life on the other side of the river. However, I believe that the government could have shown more foresight and provided a single postal code for the National Capital Region. This could have included all municipalities within this area. As a matter of fact, its boundaries are described in a document which provides for the Act on the National Capital Commission. I believe that this would enhance the pride of people who live in the national capital and I also believe that it would reflect the sense of belonging to the National Capital Region of all those who live on both sides of the river. We must not forget that the Hull area has been part of the National Capital Region for a long time. I therefore believe that we are entitled to the same privileges.

I know that it may be because of a historical accident that Ottawa was chosen by Queen Victoria in 1857 to be the capital of Canada. We must however recognize, as the premiers did in 1969 in Toronto, that the region of the national capital on both sides of the river makes up the real national capital of Canada. It is with this in mind, Mr.

Speaker, that I ask the House to agree to this motion, which I am sure does not call for a lot of speeches and which would please people on both sides of the river.

Some may object to this and say: Of course, the postal code is an Ontario postal code and Ottawa is in Ontario. I know all that. However, I do not like the idea of an Ontario postal code being used on the Quebec side for federal departments because the federal government, Mr. Speaker, does not belong any more to the people of Ontario than to the people of Quebec.

The federal government represents Canada as a whole and the National Capital Region is supposed to represent what Canada should represent. This is why Queen Victoria, when she chose the Ottawa area as the capital of the Province of Canada, as it was called at the time, because of its central position, between Upper and Lower Canada, and because it reflected the two major ethnic groups of that new country. Furthermore, the policy of the government has always been to encourage acceptance by every Canadian of the whole area as the capital of the country. This is my request, Mr. Speaker. I know that hon. members will support everything that is done in the National Capital Region, as they did for many years. I think that if we do not do this simple thing, it might create some problems which we would not like to discuss. I think that it is an administrative issue and that it can be easily done since the National Capital Region is unique. Not only is it unique in Canada, but considering everything that has been accomplished in the capital and that have been paid for by all Canadians, it reflects the origin and the spirit of Canada.

● (1610)

Mr. Speaker, I also wish to draw your attention to some anomalies in the National Capital Region which might be corrected very simply. I refer particularly to various administrative decisions that approach stupidity. For instance, when I heard recently about the moving of the manpower centre in Place du Portage. That Manpower Centre would be moved elsewhere, in the new city core, on St. Joseph Boulevard, but the building not being completely finished it would be moved temporarily in some sort of dead-end in the building on Fontaine Street where traffic is very light, where people normally going to work do not have to go by, basically very far from any traffic.

I think the Manpower Centre should be located in the heart of the city where people pass by or can go in every day as in the case of all other large Manpower Centres in Canada. I find that disastrously stupid and I say that in this case at the Manpower Centre the decision is made by Montreal because being in the province of Quebec even if you see parliament and the federal buildings every day, Montreal is the place where the decisions are made in this case, namely the Manpower Centre.

I hope we can make the civil servants taking those decisions aware of that so as not to cause any prejudice to the people in the National Capital Region.

I think we have suffered enough for years and are still suffering from overgovernment, we are suffering enough from overtaxation, I hope that federal government through its bureaucracy by the means we can use will stop causing us prejudices, at least we will have a few prejudices less to suffer. I also heard all sorts of rumours, Mr. Speaker. I am told the Government Printing Office is being abolished. I find it quite odd that the printing of the debates and everything that comes under the House of Commons should be done here in Ottawa on Wellington Street in the Metropolitan building.

So I do not understand why things like that are done as that is taking away employees from the Government Printing Office itself. They are being brought on Ottawa's side and the others are told: In a few years, you will not have much to do because parliament as such will take over the distribution and the printing of its material.

In my opinion, the Canadian Government Printing Office certainly has specific functions to fulfil. One of those is undoubtedly to print what parliamentarians thrive on day after day, the literature with which hon. members provide us and the committee reports. I find it very funny that, living in the National Capital Region, we often find that decisions seem to have been taken without consulting one department or another. It might be a good idea to be more orderly to avoid causing any detriment to anyone. The postal code is one of those. It would be so easy to reach an agreement with the provinces of Quebec and Ontario on a new form of postal code which would satisfy everyone.

If Ottawa is displeased that its name is linked to Hull, and if Hull is displeased that its name is linked to Ottawa, we can easily find a compromise and speak of the National Capital Region of Canada. It would be much simpler to have a distinct code which would be neither a Quebec nor an Ontario code, but a special code for buildings located within the National Capital Region. This would extend beyond Hull to other municipalities, towns and cities where federal government buildings are located.

I think I have summarized briefly what I wanted to say. I felt it my duty to bring this important matter to the attention of the House and urge our leaders to act through the bureaucracy. We often do not have much to say in the way the bureaucracy does things because, as the saying goes, members of parliament move on, the bureaucracy remains. We sometime have the feeling that some people spend their time seeking solutions to simple problems and, in the process, complicate them to an extraordinary degree. That is therefore why, in the name of simplicity, in the name of Canadian unity, and in the name of all my constituents in the national capital, I urge hon. members to provide a greater degree of autonomy because this is the beginning of something bigger.

Mr. Speaker, the National Capital Region is in the process of losing all it has gained since 1867, for the simple reason that the powers of the federal government in the capital of Canada are very limited. If that trend continues, Parliament Hill will soon be just about the only place where the federal government will have a say. That, to my mind, is inconceivable because by building up the area on both sides of the river the federal government wanted specifically to develop a distinctive region where all Canadians might see the achievements of this country, in a given spot, from every point of view, whether it be culture, administration, museums or anything else. I am sure my hon. colleagues will avoid, by rejecting this motion, having all those small powers, that are ours and those of the federal government, disappear further. That is why by accepting this motion I am sure we will continue to keep or to indicate that we want to see the federal government keep a bit more autonomy, that autonomy which is now gradually being eroded, and those powers it was intended to have in 1867. I do not have to give a history lesson, however it was in 1857 that Queen Victoria decided to make Ottawa the capital of Canada. She did not say the capital of Canada but the capital of the Province of Canada which was the union of Upper Canada and Lower Canada, considering that Ottawa as such would have some powers, for example the same powers as the provinces because it was the capital of the Province of Canada. Some unforeseen historical events occurred, the Fathers of Confederation divided Canada into provinces and the capital of Canada was divided in two without any power, nor any jurisdiction over its development, over road construction or over education, because the Queen had indirectly given those powers to the capital of Canada at the time, except that it is reported in our history that apparently nobody ever realized it.

Anyhow, I think it was my duty to point out to this august assembly that anomaly which I hope will never occur again. Each and every one of us is proud of his or her identity, and I am sure that a member from one riding would not want to be mistaken for a member from another riding. We are proud of what we have, we are very proud to belong to the National Capital Region. Since 1917, the people from western Quebec have been very attached to the federal government, which has been our bread and butter and will continue to be so.

In view of all the reasons I mentioned, I trust that hon. members will quickly adopt this motion which will give the same identity to all those who live in the National Capital Region. And if it is adopted, we will be able to say, as some visitors have shouted from one side then the other: Long live the free capital region of Canada!

• (1620)

[*English*]

Mr. Paproski: Mr. Speaker, in view of the fact that the hon. member for Vaudreuil (Mr. Herbert) decided today to cancel two or three of my colleagues' motions on the order paper, and in view of the fact that there is no quorum in the House, I move that this House do now adjourn.

The Acting Speaker (Mr. Ethier): I will ask the Clerk Assistant to count the members present in the House.

Mr. Caccia: Mr. Speaker, this is a real shame. It is a disgrace because there are only two members of the opposition present.

Mr. Knowles (Winnipeg North Centre): Order.

And there being only 18 members present, including Mr. Speaker, the names were taken down and the House adjourned, without question put, at 4.30 p.m.

HOUSE OF COMMONS

Monday, March 26, 1979

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

UNEMPLOYMENT INSURANCE

DENIAL OF BENEFITS TO WOMEN ENGAGED IN COMMERCIAL SQUID FISHING—MOTION UNDER S.O. 43

Mr. James A. McGrath (St. John's East): Mr. Speaker, last year some 350 women who were involved in catching and harvesting squid in Newfoundland were disqualified for benefits under the Unemployment Insurance Act. There would appear to be a case of discrimination on the basis of sex, since the only two women who qualified for benefits have Christian names of Georgie and Francis. I would therefore move, under the provisions of Standing Order 43, with the consent of the House:

That this House directs the Minister of Employment and Immigration to review all cases where unemployment insurance benefits have been denied to Newfoundland women engaged in commercial squid fishing, to ensure that women who catch and harvest squid are treated the same as their male counterparts for the purposes of qualifying for unemployment insurance.

Mr. Speaker: The presentation of such a motion for debate, pursuant to Standing Order 43, would require unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EXTERNAL AFFAIRS

APPRECIATION TO HEADS OF STATE INVOLVED IN ACHIEVING MIDDLE EAST PEACE TREATY—MOTION UNDER S.O. 43

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I rise, under the provisions of Standing Order 43, on an important matter on this historic date for all mankind. I move, on behalf of Canada whose devotion to peace has been proven over and over, seconded by the Secretary of State for External Affairs (Mr. Jamieson), the following:

That this House expresses its deep appreciation to President Carter, to the Prime Minister of Israel and to the President of Egypt at having been successful in producing a treaty which this House had hoped for as expressed in a resolution on March 7, and, furthermore, as the heads of these two countries have received the Nobel Peace Prize, and as each of them has spoken warmly of President Carter's contribution, that an award of the Nobel Peace Prize to him would be welcomed not only by Canadians but by peace-loving people of all mankind.

Mr. Speaker: The introduction of such a motion at this time would require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the said motion?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I just want to say a few words to associate the government and myself personally with this motion. The right hon. gentleman is, I am sure, expressing in very fine terms the feelings not only of the government and of the opposition parties but of all Canadians. This is one of the most important steps that has been taken in recent times in bringing peace to the Middle East.

● (1410)

I want to say that not only do we, as a government, associate ourselves with this motion, but that the government through me have already communicated with President Carter, President Sadat and Prime Minister Begin to indicate our support for this step and our admiration for the courage shown in these very difficult times. These steps are, indeed, very important.

I might add, Mr. Speaker—this might be of interest to the House—that Prime Minister Begin himself telephoned me a few hours ago, saying they had been engaged in very difficult negotiations for about an hour and a half yesterday and that one point remained to be resolved this morning. It was resolved successfully, upon which he immediately telephoned me to inform me of this step which would be taken. I thought I would add this personal bit of information to the welcome motion by the right hon. member.

Some hon. Members: Hear, hear!

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, on behalf of my colleagues, I would like to add the support of all members of my party across the country to what the right hon. member for Prince Albert (Mr. Diefenbaker) and the Prime Minister (Mr. Trudeau) have said. All people in the world are indebted to the courage and imagination of the leaders of the three states concerned. The action they have taken will not only bring peace to the Middle East in the short run but, hopefully, will lay the foundation for a much more durable peace which will not only be of great benefit to the people within that region but, indeed, to everyone in the world.

S.O. 43

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, we must applaud the event which is now taking place in the United States, namely the signing of a peace treaty between two Middle East countries. This bodes well for the future in that part of the world. We must hope and wish that no future action will be taken to counter the tremendous efforts of these two countries and the United States to make this treaty a reality.

[*English*]

Mr. Speaker: The House has heard the terms of the motion moved by Mr. Diefenbaker and seconded by Mr. Jamieson.

Is it the pleasure of the House to adopt the said motion?

Motion agreed to.

Mr. Speaker: The House will, I am sure, want to observe that there could scarcely be a more fitting way to celebrate the thirty-ninth anniversary of the right hon. gentleman's election to parliament which is being celebrated today.

Some hon. Members: Hear, hear!

* * *

FISHERIES

ARREST OF LOGGERS ENGAGED ON B.C. GOVERNMENT PROJECT—MOTION UNDER S.O. 43

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, under the provisions of Standing Order 43 I wish to raise a matter of urgent and pressing necessity, namely, the arrest by officers of the federal Department of Fisheries of several loggers working in the Queen Charlotte Islands on a project approved by the government of British Columbia and operating within the jurisdiction of the British Columbia department of forests. I ask leave to move, seconded by the member for Winnipeg North Centre (Mr. Knowles):

That this House urges the Minister of Fisheries to cease and desist from these arbitrary arrests of loggers working on government-approved projects; and, further, that the minister immediately enter into discussions with the government of British Columbia regarding any matters now in dispute, instead of harassing workmen who are merely carrying out the duties assigned to them by their employer.

Mr. Speaker: Pursuant to Standing Order 43, such a motion can be presented for debate at this time only with unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Broadbent.]

• (1415)

ORAL QUESTION PERIOD

[*English*]

STATUS OF WOMEN

ALLEGED EXCLUSION OF WOMEN FROM GOVERNMENT'S EMPLOYMENT STRATEGY

Mr. David MacDonald (Egmont): Mr. Speaker, my question is directed to the Prime Minister. As the Prime Minister and, I am sure, many hon. members know, an important meeting of the National Action Committee on the Status of Women, representing more than 165 women's groups across Canada, was held in Ottawa this past weekend. Central to their concerns at this meeting and over the past few months has been the deteriorating situation with respect to employment for women.

The Prime Minister, myself and others in this House had a discussion in January concerning the strong statement made by the chairman of the Advisory Council on the Status of Women with respect to the deliberate exclusion of women from the government's employment strategy, particularly the one announced last September by the Minister of Employment and Immigration. There was a follow-up meeting of the six advisory councils later in January which endorsed Madame Rousseau's concern and accusation.

Can the Prime Minister indicate the steps he has taken to consult directly with the National Advisory Council or provincial bodies to come to grips with the specific problems which have been raised by Madame Rousseau and other members of the council which very much affect working women today?

Hon. Marc Lalonde (Minister of Justice): Mr. Speaker, I had occasion to meet with representatives of the National Advisory Council on the Status of Women. My colleague, the Minister of Employment and Immigration, has also examined the representations which were made.

I would like to inform the hon. member that of the several hundred thousand jobs created last year, something over 60 per cent of them went to women. The record of the job creation program of the government and of the Canadian economy during the last year has been quite positive. More jobs were created for women than for men during the course of last year.

Mr. MacDonald (Egmont): Mr. Speaker, I am somewhat surprised that the Prime Minister did not answer, because he was so definite in refuting the comments made by Madame Rousseau. I am not sure whether the Prime Minister is well informed on this matter, but I would like to ask him specifically about the recent cutting back of the Outreach program, which affects many thousands of women across Canada. I refer him, also, to the impact of changes in the Unemployment Insurance Act which affect women disproportionately compared with men.

What action has the Prime Minister taken in consultation with the Minister of Employment and Immigration with

regard to reviewing these decisions and reinstating—until there is a full statement—programs which are directly affected and which help women become more fully and equitably participants in the marketplace?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am astonished that the hon. member does not want the minister responsible for the conduct of government policies with regard to the status of women to answer questions. I do not complain that his leader is not here to ask such important questions.

I can say that at all levels the insinuations of the hon. member are not correct. I can indicate, for instance, that at the level of order in council appointments we have doubled the number of women appointed over the last three or four years. As the minister just stated, jobs in the private sector are being created in greater numbers for women than for men. I think the accusations of the hon. member are not informed and are calculated only to demonstrate his own ignorance.

Mr. MacDonald (Egmont): Mr. Speaker, I am sorry that the Prime Minister is so defensive on this question. I would like to direct a final supplementary to him. The papers presented by the Department of Finance last fall admitted that the first ministers' meeting predictions on the participation rate for women were very inaccurate with respect to the rate of the increase in participation. However, no new figures, in terms of economic planning for the future, were put on the table.

Can the Prime Minister indicate whether he has examined those figures, whether he has asked for a new set of figures, and whether they will be published so that we will know what kind of over-all planning is being undertaken by the government with respect to the involvement of women in the government's long-term employment strategies?

Mr. Trudeau: Mr. Speaker, the figures quoted by the Minister of Justice were that 60 per cent of jobs go to women, as opposed to 40 per cent to men. It is, therefore, astonishing that the hon. member would not think that this is a satisfactory response.

CHANGES TO UNEMPLOYMENT INSURANCE ACT AFFECTING WOMEN

Mr. James A. McGrath (St. John's East): Mr. Speaker, in the absence of the Minister of Employment and Immigration I will direct my supplementary question to the right hon. Prime Minister.

In a letter to the National Advisory Council on the Status of Women on February 14 last, the Minister of Employment and Immigration indicated that a disproportionate number of women would be discriminated against under the 20-hour provision in the recent changes to the Unemployment Insurance Act. This has caused women to appeal to the Human Rights Commission. Is it the intention of the government to review the provisions of the Unemployment Insurance Act specifically with these amendments in mind to ensure that the provisions of the act as it now stands are not discriminatory against women?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I want to remind the House that the Human Rights Commission was set up by parliament under the policy of this government. We awaited support on this matter to see what action would be called for.

Mr. McGrath: Mr. Speaker, I commend to the Prime Minister the statement of the chairman of the Human Rights Commission when he appeared before a committee of the House in connection with this bill. If the Prime Minister reads that statement, he will know exactly what the views of the Human Rights Commission are.

• (1420)

Mr. Speaker, I should like to direct my supplementary question to the Minister of National Revenue and ask if he can tell the House why 350 women involved in catching squid in Newfoundland—

An hon. Member: Squid?

Mr. McGrath: Yes, squid. The hon. gentleman would not know one if he saw one.

An hon. Member: He's a squid himself.

Mr. McGrath: Can the minister tell the House why 350 women involved in catching squid in Newfoundland were disqualified from the provisions of the Unemployment Insurance Act, notwithstanding the fact that men involved in the same kind of work had no problem in receiving benefits?

Hon. A. C. Abbott (Minister of National Revenue and Minister of State (Small Business)): Mr. Speaker, as is frequently the case, the hon. member is in error. Three hundred and fifty women have not been disqualified. A number of cases are being examined in accordance with the law, by virtue of the remittance by the Minister of Employment and Immigration of the question to our department.

By the end of April we expect to have a final answer on this problem. This is not an easy question which can be resolved on an emotional basis; it is one on which we, as a department, have to follow the law and render our decision in accordance with the law. Each case is being analysed on its own merits and we will be giving a decision on each case. But I can assure the hon. member that it is not a discriminatory policy; it is a matter of our being obliged to follow such matters as whether the women in question were fishing on their husbands' boats, whether they were actually fishing, or whether the squid had been delivered to them on shore for drying.

All these are matters we are taking up. I met with the representatives of these women on Friday, and I can assure the hon. member that we are very sensitive to the problem and we will be making an equitable and fair decision.

Oral Questions

HEALTH AND WELFARE

GOVERNMENT POLICY ON FUTURE OF MEDICAL CARE PROGRAM

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Prime Minister. With reference to the dismantling of medicare in Ontario and in other provinces which is now under way in Canada, on Friday the Minister of National Health and Welfare said in the House:

If they cannot put their house in order when they are given the administration of medicare, I do not know how we can do it for them.

I should like to ask the Prime Minister, since these sentiments were again repeated by the minister yesterday afternoon on a television program, whether he could indicate to the House if she is now stating government policy on this fundamentally important matter.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, government policy is known not only to the hon. member but to everyone in this country. The government's policy is that this government brought in medicare. It brought it through parliament under Mr. Pearson's government and it was proclaimed under my government. It is a policy which makes Canada the leading country in the world in terms of medical support systems provided to all Canadians.

Some hon. Members: Hear, hear!

Mr. Trudeau: Our concern in this debate which is going on is particularly for the people who are most in need of medicare, the old people, the young people, the new family formations, those who have no great economic means to support themselves. The principles laid down by this government are directed specifically to protect these people.

As the hon. member knows, under the constitution we cannot legislate directly in that matter but we will support medicare to the tune, I think, of something like $5 billion this year. We do that conditionally upon the provinces applying the principles of universality, accessibility, and so on. This is a repetition of government policy. The hon. member asks what our policy is: that is our policy.

Mr. Broadbent: The Prime Minister was correct when he said it was the federal government which brought in the legislation. Of course, the Liberals promised it in 1919 but, as the Prime Minister knows, it was first brought in by the NDP in the province of Saskatchewan.

I should like to get at the important substance involved, at the crucial matter, considering that the minister indicated in the House on Friday and in the television interview program yesterday that the government was not prepared to take its responsibility and to ensure that the provinces live up to their commitment to enforce the accessibility and universality principles.

● (1425)

Since the Prime Minister told the House some two weeks ago last Friday that the refusal to live up to these principles "would lead the federal government to operate sanctions of some kind", could he tell us what he has done in the meantime to live up to that commitment? Specifically, did he get in touch with Premier Davis of Ontario to give some force to the sanctions to which he referred in the House?

Mr. Trudeau: Mr. Speaker, I am afraid the hon. member is incorrect in quoting the minister as having said that she was not prepared to defend this system. I heard her in the House say exactly the contrary: she said that we were committed to this program, this policy, and that we would see to its application.

Since the question was raised in the country by some of our members and by some members of the hon. member's party, the minister has been asking her officials to look into the various instances where there might be some infringement of the various principles, the conditions under which federal funds are granted to the provinces. I have not had a report on that yet. I know the work is being done and I know it will be a matter of going to the provinces and saying that they must make sure these principles are adhered to; and here are some examples—if there are some—where the money the federal government is paying is not serving for the benefit of the people who are on medicare and need assistance. Then we will discuss a friendly and amicable solution with the provinces.

Mr. Broadbent: Mr. Speaker, since section 26(2) of the Established Programs Financing Act gives the federal government specific authority, as the Prime Minister is well aware, to ensure that provinces live up to this commitment, and since the Prime Minister promised the House more than two weeks ago—and he used the term—that the federal government would use sanctions of some kind to ensure universal medicare remains the right of all Canadians, would he give us a specific commitment?

For example, if the province of Ontario has not established, within three months at the very latest, universal medicare, will the federal government do what the Prime Minister suggested two weeks ago and apply sanctions of some kind? In short, will he speak for Canada on this important matter?

Mr. Trudeau: Mr. Speaker, you will recognize that the very form of the question is hypothetical: if the province of Ontario does not do certain things. I can tell the hon. member that the minister, her department and the government are concerned with this matter. Indeed, they are looking at possible infringements of the four principles under which federal participation is granted. But the hon. member knows and I know that we cannot legislate in this matter. We have to act in co-operation with the provinces.

I do not think the hon. member is serious when he is suggesting that the first sanction we rush into some two weeks after he has raised the question would be to cut off funds, not to the province of Ontario but to the people who are receiving medicare.

Mr. Broadbent: I did not say that.

Mr. Trudeau: He must have some—

Mr. Broadbent: You mentioned sanctions.

Mr. Trudeau: The hon. member is asking me to take sanctions.

Mr. Broadbent: You said that you would take sanctions two weeks ago.

● (1430)

Mr. Trudeau: Mr. Speaker, the hon. member is getting a little excited. If Your Honour wants to recognize him, perhaps he will have a supplementary question.

Some hon. Members: Hear, hear!

[*Translation*]

AGRICULTURE

INQUIRY WHETHER MEASURES WILL BE TAKEN TO STABILIZE PRICE OF BEEF

Mr. Eudore Allard (Rimouski): Mr. Speaker, in the absence of the Minister of Agriculture, I will direct my question to the right hon. Prime Minister.

In view of the fact that the price of beef went up 9 per cent in January and another 10.8 per cent last month, could the right hon. Prime Minister tell the House if he is considering short term measures to rectify this situation, since beef is an important part of the Canadian diet?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member as well as all Canadians, I believe, know that the price of beef is subject to a cyclic variation that the government tries to temper through imports and exports, but these price variations are cyclic and current prices in fact compensate for the fact that a few years ago prices were extremely low and that therefore Canadian producers were not getting adequate income. Consumers who took advantage of that situation must now pay a little more so that beef producers can restore normal production which will ensure stable prices in the future.

Mr. Allard: Mr. Speaker, I thank the Prime Minister for his reply. Because of current high beef prices, beef producers have of course increased their production. But since this beef will not get to market before two or three years, could the Prime Minister tell the House if he would favour hiking import quotas to give Canadian consumers access to beef at prices they can afford?

Mr. Trudeau: As far as quotas are concerned, Mr. Speaker, the government does not plan any change in policy. The hon. member will himself recognize that by opening our doors wide to imports we would harm Canadian producers because this would again lead to a drop in beef production with the result that, in a few years, Canadians would once more have to pay higher prices.

We would rather put Canadian producers in a position to stabilize their income in future; we feel that this would lead, not to wide-ranging cycles, but to more stable prices both for producers and consumers.

Mr. Allard: I have a last supplementary question, Mr. Speaker. I am afraid the right hon. Prime Minister did not get my question quite right. I said that it was only a short-term solution, and that we could discontinue these imports as soon as supplies are back to normal in Canada. It would be just on a short-term basis, so that Canadians might obtain the necessary foodstuffs they need.

Could we not revert to the compensated discount system, as we did once in the case of milk, so that consumers might continue to eat normally in spite of the higher prices?

Mr. Trudeau: Mr. Speaker, I did understand the hon. member's question, but I suggest he may not have understood my answer.

Producers have incurred considerable losses over the past few years. Some of them were even compelled on occasions to slaughter their stocks because they just could not get for them prices as high as their expenses. It is therefore normal that producers get incomes which are somewhat higher to compensate these past losses. And I can assure the hon. member that this is the way to make sure that both producers and consumers are more equitably treated in the future.

* * *

[*English*]

EXTERNAL AFFAIRS

DISINTEGRATION OF SOVIET SATELLITE OVER CANADIAN TERRITORY

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Based on NORAD information concerning Cosmos 315, has Canada officially notified the Secretary General of the United Nations and the launching authority, in this case the U.S.S.R., of the return of Cosmos 315 as we are required to do under Outerspace Treaty No. 6, article 5?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I very much regret that I did not arrive in Ottawa until a few minutes before question period and do not have an up to date answer. My instinct would be to tell the hon. member that this has probably been done.

I am sure the hon. member is right in his statement about the requirement. However, this is not a nuclear object and there may be some distinction between the two. In any event, I will make inquiries and get the answer as soon as possible.

Oral Questions

NATIONAL DEFENCE

PAYMENT BY SOVIETS FOR DAMAGE CAUSED BY DISINTEGRATION OF SATELLITE

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, I will direct my supplementary question to the Minister of National Defence who has reason to know these treaties very well.

I would point out that because of Canadian failure to comply with the outerspace treaties, our claim for costs for last year's satellite crash was seriously impaired. In spite of our reduced rates for the U.S.S.R., they appear to be in no hurry to pay. Could the minister inform us whether the Soviets have indicated that they will accept our "over half-off for cash" invoice for last year's damage?

Hon. Barney Danson (Minister of National Defence): Mr. Speaker I am, of course, not able to answer that, since it is being handled by my colleague, the Secretary of State for External Affairs. I am not trying to pass the buck, but that is really where the responsibility lies.

The costs involved are costs which are incremental to our normal costs of operation. I think these negotiations are going on and I understand they will take some time. As to any similarity between the last incident involving Cosmos 954, and Cosmos 315, there is actually no connection whatsoever.

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NATURAL RESOURCES

MANAGEMENT OF AND ROYALTIES FROM OFFSHORE RESOURCES

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the increasing importance of offshore resources to Atlantic Canada, would the Prime Minister assure the House that it is government policy to retain Canada's legal rights over these resources, while maintaining a willingness to share generously with the provinces the management thereof and the royalties arising from those resources?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as the House was reminded by the hon. member the other day, we did sign an agreement a couple of years ago with the three maritime provinces indicating that the benefits of these resources would eventually accrue essentially to the provinces, but that the matter of ownership would not be decided at that time.

We felt that the honourable and efficient way of solving the problem was to say: Let us not get down to constitutional squabbles. Let us just make sure that the people of the maritimes benefit from these recources, and make sure the administration is carried out in a way that will be beneficial not only to the people of the maritimes but, indeed, to all Canadians.

[Mr. Jamieson.]

That is our policy, it was our policy and it remains our policy. We discussed it again at the first ministers' conference in February, and I believe we are making some progress.

* * *

COMMUNICATIONS

CANCELLATION OF COMNAT PROJECT—COST TO GOVERNMENT

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Minister of Communications. What damages will the trans-Canada telephone system be claiming from the government for the cancellation of the COMNAT project last year, prompted by the Auditor General's investigation into this example of government ineptitude?

I ask this question, Mr. Speaker, because the contract will be classified as a "non-consumed contract" by the Auditor General and probably the cost will never be made public. What information can the minister give the House on this matter?

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, this contract had been entered into under considerations and increased use of telephone service within the government. After a number of months, it was realized that the flow of telephone service was not as extensive as forecast, but discussions between the parties to the contract have allowed us to annul the contract. I cannot give the amount which is involved, but it is minimal.

Mr. MacKay: Mr. Speaker, it may be minimal by the standards of this government, but I understand it is several millions of dollars. Does the minister intend to compensate the telephone companies for the damage they undoubtedly will be claiming, by allowing them to raise their rates the next time they appear before the CRTC?

I would like to ask the minister, as well when, after the waste of several years' time and the cancellation of this contract, this government will be getting on with the necessary business of providing a better government telephone network?

Mrs. Sauvé: Mr. Speaker, I would refer the hon. member to what the comptroller in his report said about the contract. I think he will find there that all the operations have been examined to his satisfaction.

As for the telephone companies, my information is that they are not claiming any compensation.

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HUMAN RIGHTS

INVESTIGATION BY COMMISSIONER OF CASE OF JAMAICAN WOMEN

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Minister of Justice in relation to the seven Jamaican women who were attempting to

have the Chief Commissioner for Human Rights investigate allegations of discrimination. I believe the Minister of Justice is aware of the recent decision that indicated the commissioner could, in fact, proceed with his investigation.

Is the minister aware of this decision and, in light of its importance, can he indicate to the House that he does not intend to place any further roadblocks in front of the commission and there will be no continued harassment of the chief commissioner in terms of his duties?

Hon. Marc Lalonde (Minister of Justice): Mr. Speaker, there has never been any harassment or anything of the sort vis-à-vis the commissioner or the Commission on Human Rights. A bill was proposed by this government, approved by parliament, and we set up the Human Rights Commission which has the full support of the government.

As to the specific case to which the hon. member refers, I suggest if he reads the text of the judgment he will find that it does not lead to the conclusion he has reached.

* * *

● (1440)

NATIONAL REVENUE

UNEMPLOYMENT INSURANCE BENEFITS FOR WOMEN SQUID JIGGERS

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I direct my question to the Minister of National Revenue: it is somewhat supplementary to a question raised by the hon. member for St. John's East.

In view of the fact that the women squid jiggers in Newfoundland which were mentioned by the hon. member for St. John's East are not in the situation of being wives working for husbands but are women squid jiggers doing exactly the same job as men squid jiggers, can the minister tell the House why it takes five months for his department to make a decision with respect to the work being done by these women when, in fact, the men squid jiggers merely have to fill out the forms to become eligible for unemployment insurance benefits?

Hon. A. C. Abbott (Minister of National Revenue and Minister of State (Small Business)): Mr. Speaker, the hon. member knows absolutely nothing about the subject. He does not know a great deal about what is going on in the nickel industry in Nickel Belt, but when he starts getting into the subject of squid jigging and the problems that surround these women with regard to the taxation aspect of their enterprises, he is really out of business.

I suggest to him, as I stated earlier, that my department, at the request of the Department of Employment and Immigration, is studying each individual case on its own merits. I met with these ladies, we discussed the matter and the mood was amicable. The problem is somewhat complicated and I can assure the hon. member, as I did the hon. member for St. John's East, that we are treating each case equitably and fairly and a decision will be rendered at an early date.

Mr. Rodriguez: Mr. Speaker, in view of the fact that the minister is trying to put a nasty piece of business on the backs of the women squid jiggers, and in view of the fact that after his meeting with these women the mood was anything but amicable, can the minister stand in this House—and I am not asking him about nickel in Nickel Belt—and say that these women will no longer be handled in the discriminatory manner in which his officials have been handling them for the past five months?

Mr. Abbott: Mr. Speaker, what can one say in answer to that foolish question? We are not treating these women in a discriminatory fashion. I have already said this. These matters are complicated by the fact that we must operate within the law: a concept which the hon. member may not bother to understand.

If for instance, the women are squid fishing with their husbands on their husbands' boats, then by law they are not eligible for benefits. If by chance the women are receiving squid on shore and are drying them as surplus to the requirements of the men squid jiggers then they are not entitled by law. Each case, as I have suggested, must be examined. The matter has nothing to do with discrimination. I can assure the hon. member, whether he cares to believe me or not, that these cases are all being handled with complete fairness.

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BROADCASTING

CABLE TV—APPLICATION TO CRTC FOR INCREASED SUBSCRIBER RATE

Mr. Jim Fleming (York West): Mr. Speaker, I direct my question to the Minister of Communications. In light of recent reports that the Maclean-Hunter Cable TV Company has applied to the CRTC for approval of a monthly subscriber rate increase from $6 to $6.50, and in view of the fact that the rationale offered in the reports submitted with the application was that the company's net return from revenue had slipped from 19.3 per cent in 1976 to 18 per cent in 1978—still a rather good investment level, by any standard—would the minister advise this House if she feels that a breaking of the $6 ceilling for cable rates could in any way be justified?

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, the hon. member must know that these questions are thoroughly examined by CRTC and that the CRTC examines revenues of cable companies or broadcasters to establish the rates that should be charged for the service. I am in no position to make a statement as to whether or not an increase of 50 cents per month, or even $1 or $2, is justified. The CRTC alone looks after these matters.

Oral Questions

SMALL BUSINESS

NUMBER OF BANKRUPTCIES—GOVERNMENT ACTION TO REDUCE

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I address my question to the Minister of State for Small Business. Department of Consumer and Corporate Affairs' statistics show the bankruptcy rate in Canada to be still on the increase. The department reported 1,981 bankruptcies for the month of January, 1979, compared to 1,587 for January, 1978. This represents a shocking increase of 24.8 per cent in the bankruptcy rate.

Considering that a large number of these bankruptcies, are small businesses that are not only being stifled by excessive and costly government intervention but are the victims of the gloom and doom and economic uncertainty brought about by the bankrupt economic policies of the federal government, will the minister take serious note of this drastic economic development and assure Canadian small businesses that measures will be taken to stem the spiralling rate of bankruptcies?

Hon. A. C. Abbott (Minister of National Revenue and Minister of State (Small Business)): Mr. Speaker, I would suggest that the gloom and doom and unsubstantiated rubbish which emanates from the opposition is probably the major cause for the lack of morale among small businessmen. Until the hon. member and others are prepared to tell us how many corporate formations took place in the last five years, the fact that bankruptcies are rising—while regrettable, under difficult circumstances—really does not tell the whole story.

It is true that there were more bankruptcies in the last two years than any of us would like to see. It is also a fact that over the past four or five years a great many more businesses have been created than in any previous five-year period. It is in those first five years that any business faces its greatest difficulties.

I think the hon. member should simply express his regret about those bankruptcies and not attempt to colour his remarks with editorial opinions about gloom and doom. I suggest that it is the gloom and doom emanating from his side of the House that is causing a lot of our problems in this country.

Mr. Darling: Mr. Speaker, I would point out to the minister that the gloom and doom is certainly very evident in the eyes of the Canadian public, and that this will be indicated when the next federal election is called.

The minister is aware, I am sure, that one of the serious problems is the fact that many of these small businesses are unable to secure financing at adequate rates. I know that the minister is very concerned about this, and I am wondering what he can do about getting money released under the Small Businesses Loans Act at special rates for these businessmen, because if they were able to get this money they would be able to stay afloat. I am wondering what the minister's position is on that proposal.

[Mrs. Sauvé.]

Mr. Abbott: Mr. Speaker, thanks to modifications in the Small Businesses Loans Act, double the amount of loans were made in 1978 over 1977. The rate is increasing again this year and I expect that it will be double again by the end of 1979. The Federal Business Development Bank loaned over $600 million last year, which was well in excess of the money loaned the previous year.

I can assure the hon. member that the instruments of the government provided for small business in the way of loans under the Small Businesses Loans Act and the Federal Business Development Bank Act are being taken up with great enthusiasm. There is a lot of optimism out there, contrary to the gloom and doom which the hon. member is trying to purvey.

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ENVIRONMENTAL AFFAIRS

RESPONSIBILITY IN DEALING WITH POLLUTION PROBLEMS

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is for the Minister of State (Environment). On Friday, the minister claimed that he did not want to put himself in the position of becoming the environment czar and having the responsibility for handling all pollution problems such as oil spills, threatened oil spills and similar occurrences threatening the environment.

Since care of the environment is the responsibility of his ministry, why does the minister want to shun that responsibility and pass it off to other ministers?

Hon. Len Marchand (Minister of State (Environment)): Mr. Speaker, I think I answered that question very clearly last Friday. The hon. member knows what I said, that I did not want to be looked upon as the pollution czar in which, for example, I took over the regulatory functions for pollution control and environmental management of the Department of Transport, where I took over the environmental management of the Ministry of Energy, Mines and Resources, or the regulatory environmental functions of the Ministry of Indian Affairs, and so on.

I made it very clear that I was happy enough as Minister of the Environment and being able to advise the various departments of government on the kinds of laws that they should pass which would be consistent with the environmental standards we would all like to see for this country. I do not think that I should be running every department of government.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, is the minister saying that he does not believe that in matters of pollution and matters affecting the environment, he should not have an overriding authority in connection with other ministries? If he is going to leave it to them, how can we be assured that other ministries will fulfil the environmental responsibilities which are basically his?

● (1450)

Mr. Marchand: Mr. Speaker, by working with other government departments we give advice as to what we want by way of legislation. We do it that way. I think it is preferable to my taking over the whole regulatory function. For instance, the Department of Transport exercises control over aspects of pollution. In my opinion, it would be ridiculously cumbersome for me, as Minister of State for the Environment, to take over those kinds of powers. The regulatory functions relating to environmental matters, pollution control matters and transport should stay as they are.

I said I will make sure, as Minister of State for the Environment, that the kind of laws passed will be consistent with the objectives that we hold in the Department of the Environment.

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URBAN AFFAIRS

REVIEW OF AHOP PROGRAM IN ST. JOHN'S—ESTABLISHMENT OF PERMANENT OFFICE AT CMHC

Mrs. Jean E. Pigott (Ottawa-Carleton): Mr. Speaker, my question is for the Minister of State for Urban Affairs.

Mr. Paproski: Is he here?

Mrs. Pigott: Could the minister tell us whether an arbitrator has been appointed to review the AHOP situation in St. John's, to which the minister committed himself during debate in committee of the whole? I ask him, what steps have been taken to establish a permanent office at Central Mortgage and Housing Corporation to handle the complaint of poor quality housing?

[*Translation*]

Hon. André Ouellet (Minister of Public Works and Minister of State for Urban Affairs): Mr. Speaker, following discussions in the House when Bill C-29 was introduced, a meeting was held between counsel for the people concerned and a representative from Central Mortgage and Housing Corporation. After this meeting, a formal answer is expected from counsel for the people concerned, and as soon as we receive this answer a decision will be taken as regards the appointment of an arbitrator.

[*English*]

Mrs. Pigott: Mr. Speaker, I have a supplementary question. I am concerned about another situation, in the city of Penticton, B.C. It is a report—

An hon. Member: Order.

Mrs. Pigott: I have a further question on a quality problem which has occurred in Penticton, B.C., and is reported in the paper. Through lack of insulation, people have fallen through roofs and broken legs. These people were alarmed to find that the units were sold by a Central Mortgage and Housing Corporation inspector. I ask the minister whether or not it is still possible for a CMHC inspector to inspect buildings which he himself builds and sells?

[*Translation*]

Mr. Ouellet: Mr. Speaker, I would like to have more details on this matter before making any comments. Obviously, the remarks of the hon. member seem rather strange to me. I do not want to comment on them before having a detailed knowledge of the matter. It is a frequent occurrence that hon. members from the other side of the House display only a part or an aspect of a case in order to make it look disgraceful, when actually there is often a very rational explanation about the matter.

* * *

[*English*]

INCOME TAX

VANCOUVER—REPORTED DISALLOWANCE AND PROSECUTION OF DEPENDENCY CLAIMS

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I would like to ask the Minister of National Revenue about Vancouver news report of last week which indicated that millions of dollars are being lost by Revenue Canada in a so-called "rent-a-relative" tax racket. It was reported that an investigation of 2,300 dependency claims in the Vancouver area has revealed that over half needed further checks and nearly 1,000 could not be verified, resulting in many disallowances and prosecutions.

Is the minister aware of this problem, and what action does he contemplate to solve it?

Hon. A. C. Abbott (Minister of National Revenue and Minister of State (Small Business)): Yes, Mr. Speaker, regrettably we are aware and we have prosecuted a number of cases. I gather that in Vancouver, while the preliminary report shows claims for $364,000, $268,000 were proved false and as a result 10 to 12 persons have been prosecuted. I gather also that in other parts of the country some one-third of the claims have been shown to be false. We are alert to this problem and we are taking action wherever evidence is brought forward.

Mr. Clarke: Mr. Speaker, has the minister considered consulting with his senior minister, the Minister of Finance, to see if the rules concerning dependency claims could be simplified so this problem will not occur all the time and will not force the minister into the role of an inquisitor?

Mr. Abbott: Mr. Speaker, I think the rules are equitable. They involve proof that the dependant is indeed a dependant. Once that has been established, the law provides for a deduction equal to that provided for a Canadian supporting a dependant. The difficulty arises because the dependant is in a foreign and distant place and whether the evidence is valid or not is more difficult to ascertain. I do not think the rules need to be changed. I think it is simply that our officers must

remain alert to the possibility that some cases will be fraudulent.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

PROPOSAL THAT $8 MILLION INITIALLY INTENDED FOR GASPÉ PENINSULA BE USED TO COMBAT UNEMPLOYMENT AND PROMOTE TOURISM

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, my question is directed to the Minister of Regional Economic Expansion. Over a year ago, the minister signed an agreement for tourist development with the province of Quebec of which $8 million were to be given to the riding of Gaspé. In view of the importance of the tourist industry in the Gaspé Peninsula, and the fact that nothing has yet been done since that agreement was signed, would the minister be willing to take urgent steps so that those millions of dollars can be invested in the Gaspé riding in 1979 in order to fight unemployment and also have some tourist development?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, yes, we did sign that agreement almost a year ago and not much has been done in that first year. One of the reasons, I am told, is that the Quebec tourism, fish and game department had not included those amounts in their budgets nor planned to proceed with those plans during the current fiscal year. But it has been confirmed that for the new fiscal year which begins in a few days, those amounts have been taken into account, and we should now see more activity in that field; I hope this will happen and can assure the hon. member that we shall keep a close eye on the situation.

[*English*]

FUTURE OF CRDC IN DEPARTMENT

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. Could the minister give some logic and reasoning to the House for his decision to end the involvement by his department in the CRDC and disband an organization which is the voice of the rural people in this country.

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Yes, Mr. Speaker, I can give several reasons. First of all, I had to conform with the instructions of the cabinet advising us that the department commitments had to be reduced; we do not have 50 or so programs which can take cuts; we have only a few to which those budgetary cuts can apply. However, I must say that in the case of the Canadian Rural Development Council, in view of the work it has done, the many recommendations I have received and the many reports I now have for study, consideration and implementation, it will certainly be kept busy for at least two years. We also kept the Atlantic Development Council and shall certainly have the opportunity in the next few years of setting up again, when the situation justifies it, a council to advise us again on the new policies that can be applied within the Department of Regional Economic Expansion. In closing, I can assure the hon. member that we had to resign ourselves to making that decision, but that it was no easy task.

* * *

[*English*]

FISHERIES

INTENTION OF DEPARTMENT RESPECTING PROSECUTION OF LOGGERS FOR VIOLATIONS OF FISHERIES' REGULATIONS

Mr. Bob Brisco (Kootenay West): Mr. Speaker, my question is for the Minister of Fisheries. Recognizing the fact that the area involved on the Queen Charlotte Islands is only about 40 acres out of a much larger tract of timber, could the minister indicate whether it is his department's intention to take the 15 loggers to court who are charged with violations under the minister's fisheries' regulations?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, because of a motion raised, I believe, under the provisions of Standing Order 43, I will give some information.

Some time ago—I think it was in late January—the B.C. forest service and the fisheries department agreed that in an area on the Queen Charlottes, because of the type of slope, logging was a hazard for spawning grounds and that operations should cease. For some reason which I have yet to understand, the B.C. forestry service gave the go-ahead and we were not informed of their decision. However, when this decision was brought to our attention, we asked the company concerned to desist operations and to fell timber in another site. Our request was not complied with.

We tried to reach the B.C. deputy minister to discuss the issue. We attempted to do so on five or six occasions and we were unable to get an answer. Last week, I suggested a meeting at the highest level; I suggested that my deputy and myself, if necessary, go to B.C. to discuss this issue. The British Columbia government said that next Tuesday—that is, tomorrow—would be soon enough. Meanwhile, we have no alternative. There is a law that was passed unanimously by this House. The fish habitat must be protected, and we simply had to apply this law.

• (1500)

We do not want confrontation. We realize that water cannot be for the exclusive use of fish; that it is necessary to make some accommodation, and that is what we have done. I am afraid that in this case there was some unreasonableness, but I do not think it was on our side.

EMPLOYMENT

OPPORTUNITIES FOR WOMEN UNDER AFFIRMATIVE ACTION PROGRAM

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have a question for the Minister of Employment and Immigration. The original publicity about the Affirmative Action program of the minister's department indicated that 23 staff-years would be allocated to this program. According to the minister responsible for the status of women in the speech he made in Montreal on Friday, that number is down to 20. In the minister's estimates, it seems to be down to five persons at head office and nine out in the regions.

Will the minister do what he can to beef up this program so that a real effort can be made by the government to persuade industry in the private sector to go along with the concept of Affirmative Action on behalf of women seeking employment?

Hon. Bud Cullen (Minister of Employment and Immigration): Yes, Mr. Speaker. It was this department that took the initiative and established Affirmative Action with that specific idea in mind. Second, we have supported Canada Works projects where people have got together to do some polls, investigations, studies and make reports indicating the attitude of the employers in a particular region. I do not have the figures at my fingertips. I will certainly look at the hon. member's representation.

Mr. Knowles (Winnipeg North Centre): I wish the minister would square this faith in his program with the cutback he is making in personnel. My supplementary question relates to the fact that frequently—and we had it again today—statistics are being quoted about the number of jobs being created. It is asserted, as was asserted today, that 60 per cent of those jobs are for women.

Is it not a fact that those jobs include cases where a housewife phones up for someone to do a day's house-cleaning and a whole lot of personal service jobs of that kind? In view of the fact that—

Mr. Speaker: Order, please. Even for the hon. member for Winnipeg North Centre, I have a little difficulty relating this as a supplementary to his first question.

Mr. Knowles (Winnipeg North Centre): The relationship is between Affirmative Action, which is to get jobs for women, and the need for the government do to something in order to achieve just that. Will the minister do what he can in his or in other departments to get these statistics put on a proper basis, so that we will know how many women are actually getting lasting and permanent jobs?

Mr. Cullen: That, of course, is the objective of the department. I apologize to the House for being late today. I was meeting with the Canadian Railway Labour Association. I am sure some understanding will be afforded me for not being in the House earlier. I left there at twenty minutes to three and ran all the way.

Order Paper Questions

BUSINESS OF THE HOUSE

Mr. McGrath: Mr. Speaker, I rise on a point of order concerning House business. I realize that an announcement was made on Thursday, but there is some uncertainty with regard to Bill C-32. Since today is an allotted day, is it the intention of the government to proceed with Bill C-32 tomorrow and go through committee of the whole stage clause by clause on that bill?

Mr. MacEachen: Mr. Speaker, when we discussed this question last week, I said that it was impossible for the government to secure unanimous consent to have the bill pass the House in all stages in one day, and that before deciding on or announcing any further steps I would have discussions with representatives of the parties, as had been suggested and indeed advocated by the hon. member for Bellechasse (Mr. Lambert). Before I make a move in that direction, I will be talking to representatives of all parties.

Mr. Paproski: On the same point of order, what is the business for tomorrow?

Mr. Speaker: The House leader may want to address himself to tomorrow's business at some time later this day, but here again we are getting into the practice of asking the question following question period about what is today's business or tomorrow's business. That is something that has customarily been done once a week. I do not think we have to change that practice unless we have some direction from the House.

ROUTINE PROCEEDINGS

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 572, 605, 1,095 and 1,151.

[*Text*]

MINISTER OF AGRICULTURE—SPEECHES

Question No. 572—**Mr. Cossitt:**

1. Since April 30, 1975, how many speeches did the Minister of Agriculture have printed at public expense and distributed to various persons (a) to how many persons was each distributed (b) what was the approximate cost of each distribution (c) what is the total estimated cost to date of all distributions that have taken place?

2. In how many cases were the speeches written by a person other than an employee of the Minister's Office and, in each case what was the (a) cost involved (b) date and the place the speech was delivered (c) total figure paid for all speeches written?

Order Paper Questions

Hon. Eugene Whelan (Minister of Agriculture):

1. One hundred ninety (From April 30, 1975 to November 30, 1978)

(a) an average of 2,630 people

(b) $342.50 (excludes postage)

(c) $65,075.

2. In all cases, speeches were prepared by and through Agriculture Canada's Information Services.

(a) (i) A speech writer was hired on contract between April 30, 1975 and May 12, 1975, at a cost of $335 per week.

(ii) A speech writer was hired on contract between July 12, 1976 and December 7, 1976, at a cost of $350 per week.

(iii) At all other times, speeches were written by public servants employed in Information Services. The cost is estimated at $20,000 annually.

(b) See list below.

(c) The total cost in salaries and contract fees is approximately $70,520.

Minister's Speeches

1975

Date	Place	Date	Place
Apr. 30	Watford, Ont.	Oct. 15	Elmira, Ont.
May 2	Windsor, Ont.	Oct. 17	Vancouver, B.C.
May 5	Ottawa, Ont.	Oct. 17	Fort St. John, B.C.
May 7	Thamesville, Ont.	Oct. 18	Maple Creek, Sask.
May 9	Vegreville, Alta.	Oct. 22	Hamilton, Ont.
May 14	Toronto, Ont.	Oct. 24	Guelph, Ont.
May 20	Toronto, Ont.	Oct. 27	Myrte Beach, S. Carolina
May 23	Sussex, N.B.	Oct. 29	Toronto, Ont.
May 27	Ottawa, Ont.	Oct. 30	Wakefield, P.Q.
June 17	Stratford, Ont.	Nov. 4	Ottawa, Ont.
July 2	Chatham, Ont.	Nov. 11	Rome, Italy
July 22	Ottawa, Ont.	Dec. 2	Ottawa, Ont.
July 23	Benton Ridge, N.B.	Dec. 3	Lindsay, Ont.
Sept. 5	Truro, N.S.	Dec. 9	Coldbrook (Kentville), N.S.
Sept. 5	Truro, N.S.	Dec. 16	Ottawa, Ont.
Sept. 9	Jasper, Alta.		

1976

Date	Place	Date	Place
Jan. 21	Calgary, Alta.	Sept. 22	Sao Paulo, Brazil
Jan. 21	Kelowna, B.C.	Oct. 1	Fort Frances, Ont.
Jan. 21	Kelowna, B.C.	Oct. 8	Toronto, Ont.
Feb. 4	New York City, N.Y.	Oct. 20	Blenheim, Ont.
Feb. 11	Vancouver, B.C.	Oct. 22	Toronto, Ont.
Feb. 12	Quesnel, B.C.	Nov. 3	Georgetown, Ont.
Feb 12	Williams Lake, B.C.	Nov. 8	Winnipeg, Man.
Feb. 16	Arnprior, Ont.	Nov. 8	Winnipeg, Man.
Feb. 21	Windsor, Ont.	Nov. 10	London, Ont.
Feb. 24	Ottawa, Ont.	Nov. 12	Toronto, Ont.
March 4	Ottawa, Ont.	Nov. 15	Grand Falls, N.B.
March 5	Uxbridge, Ont.	Nov. 17	Toronto, Ont.
March 27	Leamington, Ont.	Nov. 18	Calgary, Alta.
March 31	Strathroy, Ont.	Nov. 19	Calgary, Alta.
Apr. 2	Clinton, Ont.	Nov. 19	Regina, Sask.
Apr. 10	Coaticook, Que.	Nov. 19	Regina, Sask.
Apr. 27	Athens, Ont.	Nov. 19	Regina, Sask.
June 2	Calgary, Alta.	Nov. 24	Brandon, Man.
June 9	Drayton, Ont.	Nov. 29	Toronto, Ont.
June 23	Red Deer, Alta.	Nov. 30	Regina, Sask.
June 29	Banff, Alta.	Dec. 1	Richmond, B.C.
July 8	Ottawa, Ont.	Dec. 8	Edmonton, Alta.
July 12	Pilot Mound, Man.	Dec. 8	Edmonton, Alta.
Sept. 7	Buffalo, N.Y.	Dec. 10	Truro, N.S.
Sept. 15	Ottawa, Ont.	Dec. 13	Ottawa, Ont.

1977

Date	Place	Date	Place
Jan. 3	Hanover, Ont.	May 18	Ottawa, Ont.
Jan. 11	Culumbus, Ohio	May 25	Windsor, Ont.
Jan. 13	Saskatoon, Sask.	June 2	Montreal, Que.
Jan. 14	Newmarket, Ont.	June 3	Ottawa, Ont.
Jan. 19	Winnipeg, Man.	June 14	Chatham, Ont.
Jan. 19	Tilley, Alta.	July 6	Calgary, Alta.
Jan. 20	Edmonton, Alta.	July 8	Ailsa Craig, Ont.
Feb. 2	Letbridge, Alta.	July 13	Victoria, B.C.
Feb. 2	Milk River, Alta.	July 13	Ottawa, Ont.
Feb. 3	Lethbridge, Alta.	July 14	Port Alberni, B.C.
Feb. 7	London, Ont.	July 21	Roseneath, P.E.I.
Feb. 8	Toronto, Ont.	July 22	Alliston, Ont.
Feb. 8	Ottawa, Ont.	July 28	Regina, Sask.
Feb. 11	Prince George, B.C.	July 28	Swan River, B.C.
Feb. 14	Swift Current, Sask.	Sept. 19	Vancouver, B.C.
Feb. 21	Ottawa, Ont.	Sept. 27	Toronto, Ont.
Feb. 23	Miami, Man.	Sept. 29	St-Lambert de Lévis, Que.
Feb. 24	Peterborough, Ont.	Oct. 20	Ottawa, Ont.
March 2	Ottawa, Ont.	Oct. 25	Ottawa, Ont.
March 4	London, Ont.	Oct. 25	Montreal, Que.
March 8	London, Ont.	Oct. 26	Ottawa, Ont.
March 15	Saskatoon, Sask.	Oct. 26	Belleville, Ont.
March 22	Ottawa, Ont.	Oct. 27	Kamsack, Sask.
March 31	Ottawa, Ont.	Oct. 31	Windsor, Ont.
Apr. 19	Orillia, Ont.	Nov. 7	Winnipeg, Man.
Apr. 29	Windsor, Ont.	Nov. 16	Rome, Italy
May 2	Chateau Montebello, Que.	Nov. 29	Hamilton, Ont.
May 6	Ottawa, Ont.	Dec. 7	Niagara Falls, Ont.
May 7	Wakefield, Que.	Dec. 12	Ottawa, Ont.
May 13	Hunterville, P.E.I.	Dec. 15	Chatham, Ont.

1978

Date	Place	Date	Place
Jan. 11	Toronto, Ont.	Apr. 14	Rodney, Ont.
Jan. 16	Winnipeg, Man.	Apr. 17	Oakville, Ont.
Jan. 16	Winnipeg, Man.	Apr. 18	Ottawa, Ont.
Jan. 16	Winnipeg, Man.	Apr. 20	Spencerville, Ont.
Jan. 18	Charlottetown, P.E.I.	Apr. 21	Durham, Ont.
Jan. 19	Spokane, Wash.	Apr. 24	Campbellford, Ont.
Jan. 27	Peterborough, Ont.	May 5	Regina, Sask.
Feb. 9	Paris, France	May 11	Renfrew, Ont.
Feb. 10	Paris, France	May 25	Windsor, Ont.
Feb. 15	Quebec City, Que.	May 31	Halifax, N.S.
Feb. 18	Amherstburg, Ont.	June 2	Kitchener, Ont.
Feb. 21	Calgary, Alta.	June 14	Mexico City, Mex.
Feb. 22	Ottawa, Ont.	June 14	Mexico City, Mex.
Feb. 23	Ottawa, Ont.	June 21	Alma, Que.
March 1	Lethbridge, Alta.	Sept. 11	Cottam, Ont.
March 2	Ottawa, Ont.	Sept. 12	Toronto, Ont.
March 8	Ottawa, Ont.	Sept. 13	North Bay, Ont.
March 10	Virden, Man.	Sept. 21	Guelph, Ont.
March 13	Calgary, Alta.	Oct. 20	Calgary, Alta.
March 31	Kirkton, Ont.	Oct. 23	Leamington, Ont.
Apr. 3	Ottawa, Ont.	Oct. 25	Gananoque, Ont.
Apr. 4	Bloomfield, Ont.	Oct. 30	Ottawa, Ont.
Apr. 6	Carp, Ont.	Nov. 13	Toronto, Ont.
Apr. 10	Richmond, Ont.	Nov. 20	Ottawa, Ont.
Apr. 12	Winnipeg, Man.		

WARRANTS REFUSED BY SOLICITOR GENERAL

Question No. 605—**Mr. MacKay:**

Were warrants requested pursuant to Section 16(2) of the Official Secrets Act, refused by the Solicitor General after they were recommended by the RCMP and, if so, how many?

Hon. J.-J. Blais (Solicitor General): Information concerning warrants issued pursuant to Section 16(2) of the Official Secrets Act will be contained in the Solicitor General's report to Parliament early in 1979, however, statistics with respect to refusals are not required.

AGRICULTURE—UNINSURED LOSSES

Question No. 1,095—**Mr. Clarke (Vancouver Quadra):**

1. With reference to the uninsured losses due to damage to buildings under the control of the Department of Agriculture detailed at page 9.60, Volume 1 of the

1977-78 Public Accounts of Canada, for what reason was the loss of $44,208 unexplained?

2. What is the explanation for the loss?

3. In what locations did the losses take place?

4. Did the Department undertake procedural or structural changes to ensure that such an incident does not recur and, if so, what were they?

Hon. Eugene Whelan (Minister of Agriculture):

1. The location, identification of buildings and estimated cost of damage sustained is all that is required to be reported for the Public Accounts of Canada.

2. (a) Drying and threshing shed—estimated loss $19,208. Several persons who gained access by force were syphoning gasoline from a semi-tractor trailer unit stored in the building.

(b) Incinerator building—estimated loss $25,000. Incinerator overheated.

3. (a) Research Station—Scott, Saskatchewan.

(b) Quarantine Station—Grosse Ile, Quebec.

4. (a) Yes. Increased security has been initiated to help prevent further occurrences of break and entry.

(b) Yes. The new facilities will be constructed in accordance with current National Fire and Building Codes of Canada.

ASSISTANCE TO PRODUCERS—CONSTITUENCY OF OXFORD

Question No. 1,151—**Mr. Halliday:**

1. For the fiscal year 1977-78, how many (a) beef (b) dairy (c) poultry (d) pork (e) egg (f) corn producers in the Constituency of Oxford (i) applied for assistance (ii) received monetary assistance from the Department of Agriculture?

2. For the same year, how many persons in the Constituency (a) applied for a loan (b) received a loan from the Farm Credit Corporation?

Hon. Eugene Whelan (Minister of Agriculture):

1. Departmental records and accounting systems are not maintained nor designed to provide information by constituency. The information requested could only be obtained by conducting a manual search of a large number of producer files.

2. Farm Credit Corporation advise that statistics are not maintained on a constituency basis. Oxford county consists of two field areas, which results in an overlap into Brant county. However, based on the foregoing, the answer is:

(a) 120.

(b) 110.

* * *

[*Translation*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Yvon Pinard (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council): Mr. Speaker, if questions No. 58 and 963 could be made orders for returns, those returns would be tabled immediately.

[*Text*]

GIFTS TO REPRESENTATIVES OF FOREIGN GOVERNMENTS

Question No. 58—**Mr. Beatty:**

1. What gifts of more than a $100 cost to the taxpayer were given by the government and its officials to representatives of foreign governments for their personal use or the use of their families in (a) 1975 (b) 1976 (c) 1977?

2. In each case (a) what was the cost of the gift to the taxpayer (b) to whom was it given (c) on what date was it given and by whom (d) for what reason was it given?

Return tabled.

Question No. 963—**Mr. Beatty:**

1. What gifts of more than a $100 cost to the taxpayer were given by the government and its officials to representatives of foreign governments for their personal use or the use of their families in 1978?

2. In each case (a) what was the cost of the gift to the taxpayer (b) to whom was it given (c) on what date was it given and by whom (d) for what reason was it given?

Return tabled.

[*English*]

Mr. Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—NON-CONFIDENCE MOTION—CONDEMNATION OF CONTINUING GOVERNMENT WASTE AND MISMANAGEMENT

Mr. Harvie Andre (Calgary Centre) moved:

That this House condemns the government for its continuing waste and mismanagement, and its failure to implement management and administrative procedures that will ensure that the taxpayers' funds are spent efficiently, effectively, and according to the will of parliament.

Mr. Speaker: Hon. members will be aware that, since this is the final day in this period, steps will be taken to finalize some aspects of supply this evening. That will result in the House being asked to deal with two supply bills this evening. As has been our practice in the recent past, I hope the House will proceed, as we have done recently to the satisfaction of hon. members, to have the bills distributed now, notwithstanding the fact that they will not, of course, have been read a first time and will not be read until some time much later in the day. This practice has taken away a great deal of the difficulty of the supply process in the manner in which we conduct it at the present time, giving hon. members the opportunity to see the bill earlier in the day.

This, of course, is an unofficial action and awaits first reading of the bills which will take place only after today's debate is concluded. The government, in an effort to co-oper-

ate with this practice, now has available sufficient copies for distribution. May I assume it is the desire of the House that that be done forthwith?

Some hon. Members: Agreed.

Mr. Speaker: Hon. members will note that at 9.45 o'clock this evening every question necessary to dispose of proceedings on this motion shall be put forthwith, in accordance with Standing Order 58(10).

Mr. Andre: Mr. Speaker, the interim report of the royal commission on financial management and accountability, known as the Lambert commission, begins with a 200-year old quote by Thomas Paine:

Government, like dress, is a badge of lost innocence.

These words, as the author points out, reflect the free spirit of mankind that grudgingly concedes that, while governments may be a necessary evil, healthy suspicion of and constant vigilance over their activities must be maintained.

Government must have money and resources to operate and to do the things we ask of it. While no one loves the tax collector, Canadians certainly recognize that taxes are the price they pay for the provision of goods and services that they ask government to provide.

● (1510)

They give these funds to government in trust and ask that they be spent efficiently and effectively and on programs which they have approved through their elected representatives. That, sir, is the essence of our Canadian democratic system of government and therefore, when the taxpayers' money is misspent, wasted in an effective and inefficient manner and when the elected representatives have little or no say in how that money is to be spent, then our very system of democracy is undermined. That is why we have chosen this motion for discussion on this the final allotted day in the current supply period.

I am certain that when historians look back on the Trudeau years, it will be the gross mismanagement and resulting maladministration and waste that will stand out. It will be that, Mr. Speaker, which will define the place in history of the Prime Minister (Mr. Trudeau). No government in Canada's history has taken so much from the taxpayers of Canada and spent it so wastefully. No government in Canada's history has disparaged and downgraded parliament in the way this government has. No government in Canada's history has failed so miserably to achieve the goals it set out for itself.

We all recall, that, when the Prime Minister first took office he was dedicated to achieving the twin goals of a just society within a strong and united Canada. This Prime Minister, we were told, was the man to end separatism and create one strong Canada. Five years later he even declared separatism dead. But as we know, that obituary, like the obituary to Mark Twain, proved to be a gross exaggeration and today there is a government in Quebec dedicated to tearing this country apart. Tearing it apart? Perhaps that is an exaggeration. Perhaps, as the Minister of Justice (Mr. Lalonde) would have us believe, they are only four-fifths dedicated to tearing the country apart. Or is it one-fifth?

We all remember the other goals of this Prime Minister in his quest to achieve a just society for Canada. He said that he would end regional disparities in this country. He created a Department of Regional Economic Expansion, spent hundreds of millions, indeed billions, of dollars, yet today regional disparities are, if anything, worse than they were before he set out to cure them.

The Prime Minister set out to cure unemployment. He said that everybody who wanted to work should be able to work. Yet despite these lofty declarations of intent and innumerable job-creation programs from LIP to Katimavik, the fact of the matter is that during this government's term of office unemployment, save for a few perturbations, has steadily increased to the current level of 8.2 per cent. In France, a nation of 50 million, there are riots because unemployment is approaching one million. In this country we have had an unemployment level of a million Canadians for months and months and we have less than half the population of France.

The Prime Minister said he would not tolerate excessive inflation and indeed he committed himself to a wrestling match. To aid him in this fight he not only utilized the Department of Finance and the other departments of government, but in addition created five different outside boards and commissions to help him—the Prices and Incomes Commission, the Food Prices Review Board, the Anti-Inflation Board, the Commission for the Study of Incomes and Prices, and lastly the National Commission on Inflation. The current rate of inflation is 9.2 per cent. When this wrestling match started it was less than half that.

Of course, Mr. Speaker, when talking of this wrestling match with inflation we must never forget that it was this Prime Minister who said price and income controls would never work, that he would never introduce them. Then, with the election safely out of the way, he turned around and did exactly what he said he never would do. He will be remembered for that deception perpetrated on the Canadian people. He will be remembered for all of his failures. He fought inflation and failed. He fought unemployment and failed. He fought regional disparities and failed. He fought separatism and failed—failed miserably.

Well, Mr. Speaker, is it fair to ask how all these failures arose? I think it is. Indeed, we and the Canadian people have been asking regularly and these are the kind of answers we have been getting. At various times the Prime Minister has blamed his manifold failures on just about everybody and everything. He has blamed the weather on occasion. He has blamed international economic situations on several occasions. He has blamed provincial premiers for his failures in economic areas, his failures in energy policy, and, of course, his failure to drive separatism into the grave and keep it there.

But lately he has been making the most ridiculous accusations he has ever made. He has started to blame all of these failures of public policy on the Leader of the Opposition (Mr.

Clark). If one were to believe the statements the Prime Minister has been making, it is Joe Clark, the Leader of the Opposition, who is responsible for the disunity in the country, the falling dollar, the fact that eastern Canadians still do not have a secure supply of oil, and indeed just about every other problem facing the nation. Only a bankrupt government and a bankrupt Prime Minister would stoop to that level.

These most recent attacks on the Leader of the Opposition may be very entertaining to Liberal partisans, but they are fooling nobody. We know and the Canadian public know that the blame for this mismanagement, these monumental failures, rests right on the shoulders of this Liberal government and in particular this Prime Minister. The fact is that the present Prime Minister is the least able manager of any Prime Minister in Canada's history. It is widely accepted that this cabinet is the weakest in Canada's history. As a cabinet maker, the Prime Minister is a bust. Part of the reason is that he is a very poor judge of people. As Douglas Fisher stated in a column in the Toronto *Sun* on March 21, 1978:

> Who was Mr. Trudeau's first senator? Bobbie Giguere! Who picked Jean Dubé, Stanley Haidasz, Warren Allmand, Bob Stanbury, Tony Abbott, Jean-Jacques Blais, Jean-Pierre Goyer, Pierre Juneau and Jack Horner for the cabinet? Who chose Yves Pratte to head Air Canada and later placed Bryce Mackasey in the chairman's position at the airline?

The column goes on to list other such disastrous appointments and then Mr. Fisher points out:

> Surely any leader who can be so robustly against wage and price controls, even as a freeze device and then take them up 15 months later without a quibble of candour, has demonstrated how various is his judgment.

But, even if these individuals are better than most people give them credit for being, they really have not had a chance to show it. The Prime Minister, because of the manner in which he has managed his cabinet, has almost destroyed cabinet government as it has been known to most Canadians. I wonder how many people realize that since the right hon. gentleman took office there have been 191 cabinet changes; that is, the 34 cabinet positions have in total been occupied by 191 different people. This means that on an average each cabinet minister has served in five portfolios and remained less than two years in any one particular cabinet post. Anybody in his right mind knows there cannot be anything else but mismanagement and maladministration when the chief executive officer of an organization changes with that kind of frequency.

At the deputy minister level, changes have been almost as frequent. Vitally important portfolios, like industry, trade and commerce, energy, mines and resources and even finance have seen their deputy ministers change with far too much frequency. The Department of Energy, Mines and Resources has had four deputy ministers in the last four years—Jack Armstrong, Gordon MacNabb, Marshall Cohen and now Ian Stewart. Is it any wonder that the government has no coherent energy policy? If a private sector organization went through such managerial changes it would be in deep, deep trouble, and if not bankrupt, on the verge of bankruptcy. Mr. Speaker, if we want to know why this government has failed so miserably to achieve the goals it has set for itself, we need look no further than how this Prime Minister has built his cabinets and how he has managed them.

● (1520)

That mismanagement is undoubtedly the root cause of the grossly inadequate financial management and control this government has exercised over taxpayers' money. Hon. members will recall the observation of the Auditor General in his 1975 annual report, and I quote:

> The present state of financial management and control systems of departments and agencies of the Government of Canada is significantly below acceptable standards of quality and effectiveness.

That was said in 1975, and the government did absolutely nothing in response to that highly critical statement regarding its management capabilities. The Auditor General was moved in his 1976 annual report to state, and I quote:

> Based on the study of the systems of departments, agencies and Crown corporations audited by the Auditor General, financial management and control of the Government of Canada is grossly inadequate. Furthermore, it is likely to remain so until the government takes strong, appropriate and effective measures to rectify this critically serious situation.

It is hard to conceive of a more damning statement of gross mismanagement. It is hard to conceive of what words an auditor could use to be more damning in his criticism. An audit of that kind delivered to a private sector company would result in the immediate resignation of all senior executives and, very likely, shareholder suits directed against the board of directors.

What was the response of the government? Essentially nothing. The government did accept one recommendation of the Auditor General. A Comptroller General was appointed, but the government refused to give the Comptroller General any legislative authority to perform his function and to get to the root of the problem. As we predicted during the Comptroller General debate, the evidence is mounting that this lack of legislative authority has resulted in several attempts to prevent the Comptroller General from doing his job. There have been several attempts to undermine the huge and important task he is called upon to fulfil. My colleague, the hon. member for Capilano (Mr. Huntington), will have more to say about that in this debate, but that basically has been the total action taken by the government.

The failure of the government to achieve its goals resulted in a new ministry last fall, the Board of Economic Development Ministers, but as yet I have not talked to anybody or read anything about just exactly what this group is going to do. Clearly, the members of the board seem more determined and concerned about putting a good face on this government prior to the coming election rather than restoring proper management.

The specific examples of waste and plain spillage of millions of dollars of taxpayers' money as a result of the failure of this government to administer properly its position of trust are really too numerous to list, even if I had the whole day. The Post Office Department alone would require a day of debate, especially when we realize that in the last ten years the number of pieces of mail delivered by the department has

increased 20 per cent and that the staff has increased by 50 per cent. The Post Office Department is running a $350 millions deficit. In spite of all that, it still cannot deliver mail on time and frequently does not deliver at all.

We could spend a day talking about the $3 million ill-considered and poorly planned Loto Canada spillage which the minister responsible tried to claim was an example of good management. The money wasted by this government on airports like Mirabel, Pickering and, yes, even Calgary, is worthy of a day's debate.

The money wasted and squandered by Crown corporations like Atomic Energy of Canada Limited in its Argentina deal deserves at least a day of debate, and we certainly could have a day of debate on the money wasted by the Department of Public Works on excessively high cost office space in Ottawa and Hull. There is not time to deal with them all. There is not time left in this parliament to do justice to debate on examples of waste and incompetence on the part of this government, but my colleagues who will be speaking later in the day will try to deal with some of these and others.

Anyone can understand mistakes, but ten years of continuing waste and mismanagement of incredibly damning audits by the Auditor General and no evidence of concrete action taken to rectify this—to use the words of the Auditor General—"particulary serious situation" are things the public do not understand and will not forgive.

Closely related to these gross failures in management is the disparaging and cynical view of parliament that this government and particularly the Prime Minister take. As the Lambert commission points out in its interim report, and as the Auditor General has pointed out on several occasions, parliament has lost control of the public purse and, indeed, the government probably has as well.

No Prime Minister in history has had less respect or less regard for this institution, parliament, than has this Prime Minister. Hon. members will recall that famous quote to the effect that we members of parliament are nobodies when we get 50 yards from the Hill. That statement might have been made in a fit of pique, but the evidence shows that that indeed is the view of the Prime Minister. He genuinely believes that the House of Commons has no right to interfere with government, that we do not have competence, that we are nobodies and therefore, by implication, that those who elected us are not very smart either.

The fact that this is the view of the Prime Minister is reflected in the manner in which closure is used by the government with such increasing frequency. Just last week there was evidence of the government's writing closure into legislation. Such is the enthusiasm of this government for closure that we had the ridiculous spectacle last week of the Minister of Energy, Mines and Resources (Mr. Gillespie) moving closure on a debate which had ended.

Without complete parliamentary oversight and parliamentary authority over spending by government, we do not have a parliamentary democracy, not in any real sense. The rule changes introduced by the Prime Minister soon after his taking office removed the last vestiges of authority parliament might have had over the spending habits of this or any government. But the Prime Minister has not been satisfied with just eliminating parliament's authority with regard to spending. He was not satisfied just to change the rules so that parliament could no longer alter even a nickel's worth of the government's spending plans. He has gone to extraordinary lengths to prevent parliament from even knowing about or being aware of government spending.

In this respect I refer to the way in which spending estimates are cooked and manipulated to disguise their true magnitude. I have dealt with this subject in this House before. I have dealt with the manner in which this government disguises its true spending. I have pointed out the flimflam and basically dishonest bookkeeping which successive presidents of the Treasury Board have utilized in an attempt to lull the Canadian public into believing that the government really does have a handle on spending and that it really is reducing the amount being spent.

I have pointed out how, through the use of Crown corporations, vast sums of money—billions which belong to the taxpayers of Canada and which we in the House of Commons should be examining and authorizing the expenditure of—are being spent, amounts which not only do not receive parliamentary authority but which also are not even presented to parliament for its information. Starting in 1968 the government changed the rules regarding the presentation of estimates so that loans repaid were no longer listed on the revenue side but showed up as negative expenditures. If the government used the old and proper accounting procedure, spending estimates this year would be $244 million higher than the estimates presented. This year, the government is presenting spending estimates of an incredible $52.6 billion. Even more incredible and frightening to anybody who cares about the economic welfare of the country is that our $12 billion deficit is some $2 billion more than the entire spending of the government when this administration took office.

However, that is not the whole story. That $52.6 billion does not include $1.5 billion being spent by Petro-Canada. It does not include several hundred million dollars being spent by the Export Development Corporation. It does not include the several hundred million dollars being spent by CMHC. It does not include moneys being used to subsidize Syncrude production. That is some type of revolving fund. It does not include moneys being spent on airports because the airport revolving fund has been taken out of the spending estimates. Mr. Speaker, the actual spending is several billions of dollars higher than this government has declared to the public. This disguising, this hiding of public sector spending from the elected representatives of the Canadian people—that is, from us in the House of Commons—is a classic example which demonstrates the utter contempt that the Prime Minister has for parliament and our parliamentary, democratic system.

• (1530)

I could quite easily spend an entire day talking about the ways in which Crown corporations are used to abuse parliament, but I want to bring to the attention of the House just one of the more recent examples. When spending estimates were tabled last spring by the then president of the Treasury Board, the current President of the Board of Economic Development Ministers (Mr. Andras), he assured the House and the Canadian public that spending would be restricted to $48,800 million, not a cent more. Later in the year when the Liberals anticipated an election and wanted to look fiscally responsible, they reduced that figure by another $500 million.

That target proved impossible, so what did they do? They directed CMHC to sell over $400 million worth of mortgages from their portfolio. This CMHC did at a loss of millions of dollars to Canadians, a loss which does not show up anywhere in the bills, a loss which is not admitted. It is impossible for the House to determine what loss was involved in that sale.

Then the government had the colossal gall to list in Supplementary Estimates (A) receipts from this sale of $365 million as a negative expenditure. They sold the assets and listed the receipts of these assets as a negative expenditure. Can you believe that, Mr. Speaker? If that is not flimflam, if that is not book cooking, what is it? The fact of the matter is that by that little procedure they disguised spending by $700 million and they were then able to stand up and say: "We have achieved the target we set." I say, hogwash. They achieved no such target, they cooked the books.

Mrs. Pigott: That is right.

Mr. Andre: That is not the only way they cooked the books. It is interesting to note what they have done with the amendments to the family allowances program which resulted in the claim of a $690 million reduction in expenditures. Do you know how that happened, Mr. Speaker? They listed the tax credit as a negative revenue. They said they spent $690 million when in fact their cash requirements went up. The new program is costing them more money than did the old program, but they are claiming a reduction of $690 million in expenditures. If that is not flimflam, what is it? That kind of book-cooking, that kind of manipulation, in the private sector would result in the financial officers of any company going to jail because of their distortion of the true financial picture by some $730 million. Yet here we have the government doing it all the time.

If you wonder why we have so many Crown corporations, Mr. Speaker, you need look no further than that example for the reason. Crown corporations give the government enormous flexibility to create the kind of impression they want to create. If they want to disguise government spending, they push it off on to Crown corporations. If a public issue or problem breaks out and they cannot come up with a solution, they create a Crown corporation, give it a fancy title and offer this to the public as an example of how responsive they are. If the Crown corporation does something which is perceived to be positive, the minister is up front taking the credit; but if the Crown corporation fouls things up, the minister claims ignorance and denies any responsibility.

The classic example of that is AECL. When AECL sold a reactor to Argentina, the then minister of energy, mines and resources, Donald Macdonald, was saying that this is an example of how wonderful Crown corporations can be in the energy sector. When it turned out that we were going to lose tens of millions of dollars on the deal and we had to pay a bribe to get the contract, you could not find a minister who would admit to having heard of Atomic Energy of Canada Limited.

The fact that members of parliament not only do not have an opportunity to approve Crown corporations' spending programs but are not even given any information about these programs is precisely the thing about Crown corporations that this Prime Minister likes. That explains why, during the period 1970 to 1975, three-quarters of the current 400 Crown corporations were created—300 Crown corporations in a five-year period. So what, you might ask; if they are doing a good job, why not let them? The fact is that they are not doing a good job, as the Auditor General pointed out. In his 1976 report he stated:

> In the majority of Crown corporations audited by the Auditor General, financial management and control is weak and ineffective.

This is a terribly damning statement. What did the government do? The Privy Council did a study in which they recommended some changes to the Financial Administration Act and said a bill would be placed before parliament in the fall of 1977. A month ago I asked the President of the Privy Council (Mr. MacEachen) whether he intended to live up to that promise and introduce the bill. His answer was precise and succinct: he said no, he had no intention of doing it.

The fact that the Auditor General points out that Crown corporations are mismanaged, the fact that there are over 200,000 people employed by these Crown corporations, representing basically a second civil service beyond the control of parliament and probably beyond the control of the government, the fact that these Crown corporations control assets of over $30 billion, and the fact that more and more of the public are demanding that this government do a better job of managing its resources, had not affected this government one whit.

Crown corporations are too convenient a tool to hide and disguise government activities, and even if they are wasting millions of taxpayers' dollars, the government does not intend to do anything about it. Deception has been so much the way of action of this government that it cannot seem to comprehend that openness, honesty and full accountability to parliament is the only way that proper management of the taxpayers' resources will occur.

I could go on and on with various examples of mismanagement. You will recall, Mr. Speaker, that last fall the government announced $500 million worth of cuts. We have taken another look at that list. They have backtracked and flip-flopped on 15 items representing $165 million. So they have flip-flopped on $165 million worth of so-called cuts last year.

The government is now in possession of an initial copy of the Lambert commission report. The commission has reported and the copies are being printed and should be made public in a few days. If they are not made public, it is because the government does not want the public to know the recommendations which the Lambert commission made.

The commission recommends changes in the way that cabinets and deputy ministers are appointed and moved around. It is recommending changes in the manner in which this government is organized. It is recommending an enhancing and an upgrading of the role of parliament to ensure that the people's representatives can find out what the government is doing as well as exercising authority over it. It is recommending changes in Crown corporations and the way in which they are handled. It is recommending changes in the Treasury Board and in other central agencies of the government. In essence, what the Lambert commission is doing is making recommendations for very widespread changes in the manner in which this government has been operating. In making these recommendations the Lambert commission is stating implicitly that at present the government is maladministered and grossly mismanaged.

Lest hon. members on the other side get the wrong impression—

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. member but the time allotted to him has expired. Nevertheless, he may continue with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

An hon. Member: Five minutes.

Mr. Andre: Thank you, Mr. Speaker, and I thank members of the House. I will take two more minutes. I did not want to give the impression that I am in receipt of an advance copy of the Lambert commission report because I am not, but I do have a general inkling of what it contains. Indeed, one can get that message from the interim report. If I look forward with anticipation to the report of the Lambert commission, it is because it will be recommending precisely what my party has been recommending for quite a period of time.

● (1540)

If there is any doubt about that, I would refer hon. members to the debate which took place in February of 1978 when we allotted an opposition day to this subject. We laid out in specific detail the necessary changes to restore democratic control in the government's spending processes and to ensure that proper management and effective control of taxpayers' money is the rule rather than the exception.

As I indicated in my opening remarks, the government administers taxpayers' money in trust. A position of trust demands the utmost in care, efficiency and effectiveness, and that the money be spent in accordance with the wishes of the democratically elected representatives of the people. The government has failed to honour this trust. It has failed miserably, and in the process it has wasted enormous amounts of money, and perhaps even more seriously, it has wasted ten or 11 years which could have been put to better use.

Basically the Lambert commission is recommending that everything the Prime Minister has done in regard to managing the affairs of Canada be changed. That verifies our view that this is the most poorly managed government in Canada's history. I urge the House to support this motion so that Canadians will get their long overdue opportunity to express their opinion.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I commend the hon. member for Calgary Centre (Mr. Andre) for introducing this motion before the House today. Let me indicate at the outset that we intend to support it.

I should like to comment on approximately three or four matters. First, I will give some evidence of government mismanagement and waste. I will make a few comments in general about government spending and the practices of various governments across the country. Also I should like to comment a little on the entire area of corporate waste, which we sometimes forget about.

A portion of the motion reads "to implement management and administrative procedures that will ensure that the taxpayers' funds are spent efficiently". The hon. member for Calgary Centre referred to Crown corporations and the fact that there are approximately 400 of them in the country. Also he referred to the lack of authority parliament has over them. Perhaps a solution which should be thought about by parliament is the one which was introduced by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) when he was premier of Saskatchewan a long time ago. At that time they struck in the legislature a committee on Crown corporations. Part of the practice of the legislative assembly in Saskatchewan is that an annual report of every Crown corporation is referred to the appropriate committee before the house recesses or before the house closes for the year. In that way members of the legislative assembly have a direct input into what Crown corporations are saying and doing. For at least the commercial Crown corporations, such as Petro-Canada, Air Canada, AECL and various other ones, perhaps this procedure should be implemented into the rules and regulations of this House. Regardless of party or regardless of government, it would give all of us a chance to give some input to the directions and priorities of Crown corporations.

In terms of the entire area of waste, there is a lot of evidence concerning government waste and mismanagement. All one has to do is look at several Auditor General reports. They show the whole litany of bad decisions, waste and mismanagement listed year in and year out. One can look at examples in the city of Ottawa where federal government buildings are sitting empty. I am glad the President of the Treasury Board (Mr. Buchanan) will be replying. Perhaps he can comment on this area as well.

I have before me a copy of an article which appeared in the February 24, 1979, edition of the Ottawa *Journal*. It is

entitled: "Vacant space will cost $167,000 a month". It refers to the moving of certain public servants across the river. I am not commenting upon the policy of government buildings being decentralized out of Ottawa to Hull or other places; I am commenting upon the lack of good management—that there should be a tremendous waste of buildings already available. I am commenting upon the fact that there should have been better planning and phasing in of the program so that taxpayers' funds are not wasted in such a manner.

There are other examples of government waste. I should like to refer to one which has been localized and raised in the House before. It is an ad which appeared in a small weekly newspaper in my constituency. I believe this ad has appeared in every weekly and daily newspaper in Saskatchewan recently. The one I have in my hand appeared in a weekly publication known as the *Foam Lake Review* on March 14, 1979. It is an ad which could be almost labelled a political one, except that it is paid for by the Government of Canada. It is in the name of the Minister of Transport (Mr. Lang) of Transport Canada. The ad is entitled: "Can Canada really export 1¼ billion bushels of grain a year by 1985?". The ad refers to the tremendous achievements of the government in the last few years by building export capacity for the movement of grain. I should like to know how much such an ad costs.

Mr. Douglas (Nanaimo-Cowichan-The Islands): It pretends to be an article.

Mr. Nystrom: As the hon. member for Nanaimo-Cowichan-The Islands has stated, it looks like an article. There was another such ad in Vancouver. It referred to saving thousands of dollars on car fuel over the next five years if one could. It was in the name of the Minister of Energy, Mines and Resources (Mr. Gillespie), the honourable czar of energy. There are various ads of that sort. I see the hon. member for Battleford-Kindersley (Mr. McIsaac) smiling. He is really very ashamed about this.

What about PRAC? PRAC was established by the Minister of Transport to look at rail line abandonment in the prairies. I should like to quote from the ad wherein it refers to PRAC. It reads as follows:

> You can fight for unprotected branch lines several ways, starting right now. Here is what you can do:
>
> 1. Form a local retention committee. Co-operate with other retention committees on the same rail line.
>
> 2. Study the reasons why the Hall commission or PRAC recommended abandonment. You may find an important mistake or you may find the situation has changed.

Many mistakes have been made by the Prairie Rail Action Committee. The ad continues:

> 3. Let the western arm of the CTC know you plan to defend a line. It will be alerted that people are interested in saving a line and want a hearing.

The minister could be saying this in press releases and in speeches. One can go back to the fact that most of the lines should not be abandoned in the first place. It continues:

> The western arm of the CTC can deny an application for abandonment for five years or so. The western arm of the CTC can also recommend to the Minister of Transport that a line should be added to the permanent network, guaranteed into the next century.

The Minister of Transport can add lines to the permanent network.

One must remember the cost of such ads to taxpayers. This type of thing makes Canadians very, very cynical about government, the management ability of politicians, bureaucrats and public servants. That makes me very sad because I do not think Crown corporations, governments or public servants are any less capable of managing money than the private sector. I do not think they are any less capable of planning the economy than the private sector. It is ads such as this which lessen the credibility of government as an institution. They lessen the credibility of people who are involved in public life and manage the funds of the country. It is nothing less than a blatant political ad. The government is sticking its hand and greedy fingers into the pork barrel in an attempt to be re-elected in a few ridings in western Canada.

An hon. Member: That is the way to do it.

Mr. Nystrom: I wish the hon. member opposite would rise to his feet and say that this is the way the government should go about doing things for the country.

In a debate of this type we should look at the priorities in managing money which the government has set. It is not only that the government wastes money, but we should look at its priorities. It is willing to give millions of dollars to professional hockey teams for rinks, but when a small town wants to build a rink for amateur sport, suddenly it meets the government's restraint program head on. I ask why?

• (1550)

Then look at what is being done about medical research in this country. Again, this has been cut back. When we look at the problems the native people have, and problems in respect of Indian housing, again we see that we are running into restraints. I think that is mismanagement of government funds.

Millions of dollars are being handed to the pulp and paper industry in spite of the fact that these companies are making profits and are not broke. Still they are receiving over $200 million in public funds. I think that is mismanagement of government funds.

When I look at the gifts the government opposite gives the huge corporations I am reminded of the fact that this government has probably borrowed more money abroad than any government in the past in order to prop up the falling Canadian 85-cent dollar, about which the government boasts sometimes. It is now printing a new $20 bill which is not worth much more than the dollar of a few years ago. This government has borrowed billions of dollars to defend the falling dollar, and we are now paying all kinds of interest on that borrowed money. At the same time this government is deferring corporate income taxes. That is money this government could use to reduce this huge deficit, money that could be used

to build up the economy in this country, making it much stronger.

I notice that corporate deferred taxes have gone up $1.6 billion in the third quarter of 1978 compared to the third quarter of 1977. I understand these deferred taxes now stand at some $12.3 billion as of the third quarter of 1978. These are deferred taxes. I am sure that if the poor people in this country, such as those women working in the squid industry in Newfoundland, wanted to defer a few bucks in taxes it would not be long before the Minister of National Revenue (Mr. Abbott) was demanding that they pay these few bucks to the national revenue department.

These are the things I think we should be noting when we are talking about government mismanagement of funds. We should look at this government's priorities to see whether it is governing for the ordinary, little person in this country. I think we should also be futuristic and think about the way this government is planning the economy. Just think of all the types of priorities this government has. If we look at these priorities in hard terms I think we must conclude that the government is wasting all kinds of money and is not planning the economy.

We should look at a number of different areas, for example grain handling. The Wheat Board has said that if we had put more money into boxcars we could have sold an extra $350 million worth of grain this year alone. We could have done that if we had adequate rolling-stock. We have seen many reports that say that if the government had a proper program in respect of nutrition to inform people about the foods they are eating, we could save hundreds of millions of dollars each and every year in terms of hospital bills that are escalating so rapidly in this country.

There are many other things one could point out. I think of the money wasted in relation to our human potential, particularly when I look at that vast reservoir of unemployed in this country, the result of a lack of planning in our economy. I look at the fact that we as a nation import more manufactured goods per capita than any other industrial country in the world. Surely to God we can do more processing of our raw materials in this country, for example, by upgrading the nickel in Nickel Belt and the Sudbury basin. By doing this we could be providing jobs for Canadians. I think that is one of the most condemning features of this government's lack of ability to manage and plan our economy in a proper way.

We should look at the food picture, something about which I am very interested in terms of agriculture and the consumer. We are becoming less and less self-sufficient in the production of food. If we had proper government management of the economy we could be producing a lot more food in this country. Some 70 per cent of our strawberries, for example, are being imported along with some 30 per cent of our cabbages, 44 per cent of our onions and 24 per cent of our cherries.

Many of these things that are imported could be produced in this country. I look across the way and see my good friend, the Minister of State (Environment) (Mr. Marchand). I do not have the clipping with me, but that environmental czar over there said about a year ago that if we could use the energy that is wasted in this country we could produce an extra $2 billion worth of fruits and vegetables. He said that we could do that if we had proper planning of resources for the Canadian people.

In fact, if we discount grains and oilseeds we find that in 1978 our net deficit in the production of food amounted to about $1.6 billion. We are only about 90 per cent efficient in the production of beef. Just think of our very small population and the huge acreage we have in Alberta, Saskatchewan and other provinces for the production of beef. If we had proper management of the economy we could be more than self-sufficient in the production of beef in this country.

These are some of the things we should be looking at when we are considering a motion such as the one before the House today, and this brings me to the second part of the subject I wish to discuss. I do not think it is just the government across the way that does not know how to manage things. I got the impression from the Conservative party that it was a super manager and would get rid of government debts. I got the impression from members of that party that they would cut back on government spending. I used to believe them as I am basically a person who believes everything everybody tells me. I always believed that people were telling the truth. Perhaps I was naive in thinking that they would not mislead me. I did a little bit of research to see whether the Tories have a monopoly on prudent government spending, small deficits and proper management and planning. That is not what I found at all. I think this House should know some of the facts.

I just noticed in the paper on Saturday that Premier Lougheed had added another five our six members to his cabinet, and with 29 cabinet ministers in the province of Alberta he has the largest cabinet of any provincial government. In terms of a small Tory management team, again this is an indication—

An hon. Member: Tell us about Barrett.

Mr. Nystrom: Barrett had a much smaller cabinet than that.

An hon. Member: How many people are there in Alberta?

Mr. Nystrom: The population of Alberta is something under two million. The population of Quebec is over six million and the population of Ontario is well over seven million, yet Alberta still has by far the largest provincial cabinet in this country.

Let us look at numbers in respect of public servants. The province of Saskatchewan has 1.8 per cent of its people in the public service. In Nova Scotia, 2.3 per cent of the population is in the public service. In that Tory bastion of Alberta I am told that 2.4 per cent of the people are public servants, and in Tory New Brunswick the figure is 3.4 per cent. I understand that the national average is 3.3 per cent. This shows that the government that is a socialist government is the one that knows how to manage. Saskatchewan is by far the best managed province in this country.

Let us have a look at capital spending. When Tories hear the facts they cannot face them and they leave the House, like the hon. member for Edmonton Centre (Mr. Paproski) is now doing. Let us have a look at per capita spending. The hon. member for Calgary Centre talked a lot about government spending, but which province in 1976 had the lowest per capita spending in the country? Was it the province of Ontario or the province of Alberta, or was it a Tory province at all? The answer is no; it was the province of Saskatchewan. It spent $1,436 per capita. Alberta had a per capita expenditure of $1,657, with Ontario spending over $1,700. All the other provinces had per capita expenditures that were higher, including Tory Ontario.

Let us look at government debt. Everybody knows that Saskatchewan for years was a very poor or have-not province. It was a province that always received transfer payments from the federal government. Let us look at government debt because we often get lectures in this House by Tories about how they would get rid of debts if they were in power. The lowest per capita provincial debt in this country is not the debt of a Tory province, and not that of the province of Alberta, but rather the province of Saskatchewan with a debt of $980 per capita. The province of Quebec is second with a per capita debt of $1,803. Alberta, with all its wealth and immense potential, its heritage fund and everything else, has a per capita debt of $1,880; in other words, twice as high as the per capita debt of the province of Saskatchewan. Then there is wealthy Ontario with a per capita debt of $2,059. In poorer provinces such as Newfoundland, the per capita debt is $3,000.

• (1600)

Mr. Dionne (Northumberland-Miramichi): Oh, oh!

Mr. Nystrom: Tory New Brunswick is very, very bad. In Saskatchewan, however, one-seventh of every cent goes toward paying off the debt of the province, whereas in Ontario eight cents of every tax dollar goes into paying off the provincial debt. We must put into perspective the fact that the Tories are very, very poor when it comes to managing the taxpayers' money. I am not quoting the Leader of the Opposition (Mr. Clark) or the hon. member for Edmonton Centre or anybody else in that party; I am merely quoting the facts as they are stated by statistics Canada with regard to the various provincial governments in this country.

The third area which I would like to talk about in the three minutes I have left is corporate waste. We talk a lot about government waste, but there is also corporate waste which in many cases, I think, is more extravagant or, at least, as extravagant as the waste by the government of this country.

I remember CEMA and the great debate about the egg marketing agency a few years ago. People hit the roof because a few million eggs had spoiled. The spoiled eggs represented about one half of one per cent of the eggs produced in this country. It amounted to about one day's production by all the hens in Canada. If a company had a margin of error of less than one half of one per cent, I am sure that many people would say that they had a very efficient board of directors.

Waste and Mismanagement

There are many cases of corporate waste. For example, I have a report commissioned by the Food Prices Review Board called the Mallen report. The report discusses the waste in the retail food system of our country and how Canadians are paying more than they should because of the fact companies are so wasteful. The report also discusses excess capacity. They said, for example, that the average excess capacity increased the price of food by some 3.7 per cent. In Sydney, for example, people are paying—

Mr. McKenzie: Oh, oh!

Mr. Nystrom: One of the Tories is terribly upset. I wonder if anybody has a valium tablet.

Mr. McKenzie: I will cover it when I am on my feet.

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. gentleman but his allotted time has expired.

Some hon. Members: Hear, hear!

Some hon. Members: More, more!

The Acting Speaker (Mr. Ethier): Nevertheless, he may continue if there is unanimous consent.

Some hon. Members: Agreed.

Mr. Nystrom: Mr. Speaker, I will take but one minute, and I thank the House for giving me the additional time. I was talking about—

The Acting Speaker (Mr. Ethier): Order, please. I hear someone telling me that there is not unanimous consent.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have a point of order. I hope that you, sir, will take note of the fact that to the speaker of the Conservative party who moved this motion, we gave unanimous consent. I want the House to notice how ungracious certain members in the official opposition appear to be.

The Acting Speaker (Mr. Ethier): Order, please. That is a matter which is beyond our control.

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, in support of the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), I must say there was unanimous consent, I think, to allow the hon. member for Yorkton-Melville (Mr. Nystrom) to continue his speech for a few minutes. I respect your decision, but I would like to add a few remarks on the motion presented by the hon. member for Calgary Centre (Mr. Andre). It is a pity, Mr. Speaker, that once in a while—in fact, often—we have to introduce motions such as this one to make the public aware of the carelessness and incompetence of the government which has been in power for almost ten years.

On November 29, 1977, in a motion I introduced in this House, I mentioned particularly the lack of foresight and

leadership on the part of the government. Naturally, when I said steps had to be taken to get the economy going again, Mr. Speaker, I mentioned among other things a few very important points, namely the weakening of our industry as a result of the flooding of the Canadian market with imported products, foreign products, inadequate funding to create employment in the economically weak areas and particularly the very high interest rates we have to pay on borrowings by federal, provincial and municipal governments and school boards.

The two hon. members who spoke before me talked abundantly of the waste of this government. I refer to the fact they forgot to mention—I hope they simply forgot to mention—the shameful waste that we have been witnessing and the fact that every day we are paying over $17 million—$17.9 million, to be more specific—in interest on this country's debt. And we of the Social Credit Party of Canada are convinced that it is a shameful waste because the Bank of Canada could readily be used to create the necessary credit and thus be indebted to ourselves rather that to foreigners. So, except for us, this government and the opposition forget to talk about those important things particularly trying to show the people of this country the mismanagement of this government in face of the constant waste going on day in and day out.

Mr. Speaker, during that motion I introduced in November, 1977, I asked and still ask on behalf of the people of my riding, the people of Rimouski and the people in the Gaspé area in general, the government at that time to take immediate steps to ensure the freedom and security of workers, farmers, mothers and people in general. I also urged the government to create jobs for young people coming out of our universities or CEGEPs with big, beautiful diplomas, with big, beautiful parchments but who face nothingness—we have no job. Mr. Speaker, those people have courage and will, they want to earn a decent living. They face the incompetence of the government, unemployment, welfare and misery.

Mr. Speaker, as the incompetence of the government apparently became its trademark and as regional disparities are increasing, it becomes more and more difficult to find jobs in some areas. After the budgetary cuts, those same areas are also unnecessarily affected by those drastic measures, namely the less favoured areas, as I said earlier.

● (1610)

When I spoke last October 17 in reply to the Speech from the Throne, the rate of unemployment in my area was 15 per cent; in Quebec, only the Abitibi-Témiscamingue area had a higher unemployment rate, and only by a few decimal points. Today, Mr. Speaker, even if our area is represented in cabinet, even if all the neighbouring constituencies are Liberal, the rate of unemployment has, sad to say, climbed to 21.2 per cent; this is the highest in Quebec and comes right after the Corner Brook area in Newfoundland where the unemployment rate is 24.3 per cent. It is therefore important to remind everyone of this situation, Mr. Speaker. I always make a point of recalling this situation because I feel we must remove these economic disparities if we want Canada to develop in harmony. It is most discouraging to note, however, that the gap between rich and poor areas has again widened.

Mr. Speaker, I would now like to come back to the relevancy of today's motion which concerns government waste. The latest example of this, and probably the most inexcusable, is certainly the famous $23 million contract with General Instruments to launch the notorious and short-lived Loto Select. Once again, the federal government did all it could to go over the heads of the provinces and do what it wanted while interfering underhandedly in an area of provincial jurisdiction. In addition to the financial losses caused by the cancellation of this contract, there was also the arrogance that this government showed toward the provinces. But the provinces no longer tolerate this type of interference and are showing an ever more united front, so the government had to backpedal and the Canadian taxpayers, that is all of us, now have to pay the piper without having danced to the tune and to suffer from the incompetence of the government opposite.

Mr. Speaker, on October 23 last, the hon. Minister of Finance (Mr. Chrétien) asked to be allowed to make a very small additional loan of $17 billion for so-called operating expenditures. The financial requirements of the government reached astronomical proportions at the same time as all sorts of things were done to save $4 billion by cutting back very important existing services. During that time, the Bank of Canada exhausted its reserves to support our drowning dollar, which has been trying to surface for several months already, but to no avail, Mr. Speaker, since the dollar stayed at 85 cents and floated between something over 85 cents and 84 cents, to the great satisfaction, it seems, of the Minister of Industry, Trade and Commerce (Mr. Horner).

The government has also invested in all sorts of programs of doubtful need and effectiveness. We could talk, for instance, of all the commissions on prices that we have seen. We have had the Prices Review Board, the Anti-Inflation Board, the Centre for the Study of Inflation and Productivity, and finally, the National Commission on Inflation. I would like to know the cost of establishing and dismantling all those commissions, which have been totally ineffective and, in any case, never had any real power.

What about real estate resources? We now have more office space than we need because the public service will curtail its expansion and even cut back staff in some instances. It will even be worse with a Progressive Conservative government since that party intends to cut 60,000 government jobs. Also, the government decentralization will also affect the surplus of space. The government has shown a complete lack of foresight. I hope it knows where it is going. In any event, the final verdict belongs to the people and it will come soon.

I also want to mention the propaganda war going on between Quebec and the federal government which both want to promote their view of federalism. We spend large sums of money in advertising not to promote federalism as is but rather to promote Trudeau style federalism, a centralized and dictatorial form of federalism where the provinces are only the pawns of the central government. There again, we do not know how much that will cost us. This debate strikes me as sterile. Instead, the government should apply itself to making concrete proposals to the provinces, at least to prove to Quebec its willingness to come to terms. While the Pepin-Robarts report has gone to gather dust on shelves somewhere, both DREE and the Department of Supply and Services are going ahead with their little publicity campaign in Quebec, simply because the provincial government made a campaign of its own to get people involved in its OSE program. It seems to me those federal funds could be better invested. I know many unemployed workers in my riding who would be very happy to know the Canada Works program has more funds at its disposal.

Another example of inconsistency comes to my mind, that of the child tax credit. Anyone who has the right to claim that tax credit will have to fill out a separate tax return; this means that in a family where there is but one wage earner, that is the father, the mother will have to fill in her own tax return. And talk about the problems of separated couples and the income of dependent children! Revenue Canada will have to check over two million additional tax returns, that is the tax returns themselves, checking the return of the wife against that of her husband, and all the appended slips and required vouchers. Now that is another costly administrative chaos. In addition, a large number of those returns will surely not have been filled in properly. Can you imagine all that paper work, all that red tape in order to reduce family allowances!

Mr. Speaker, when ordinary folk have to tighten their belts because inflation is eroding their pay cheques and unemployment constantly threatens a large number of workers in this country, we must react quickly and use public funds to solve urgent problems and so improve the lot of our people and foster human dignity in this country.

[*English*]

Hon. Judd Buchanan (President of the Treasury Board): Mr. Speaker, I rise to speak on this motion because I am concerned that members opposite are continuing to ignore the genuine progress that is being made in the area of management efficiency by this government. I am concerned because, in the rush for public attention, facts are being overlooked and much evidence is lost in the mud of political rhetoric.

I want to take the next few minutes to review for hon. members some of the initiatives that have been undertaken and to discuss some of the actions now under way. I will discuss the continuing program of restraint in spending and in the administration of the government operations, as well as draw attention to the IMPAC studies under way by the Comptroller General. I will comment also on the government's restraint program.

● (1620)

As far as administrative measures are concerned, Mr. Speaker, I would like to remind the members of this House that a program of administrative restraint was introduced by the Minister of Finance (Mr. Chrétien) when he was president of the Treasury Board on March 25, 1976. This program has been carried through vigorously both by my predecessor, the present President of the Board of Economic Development Ministers (Mr. Andras), and myself, and I am pleased to report to you the following achievements of administrative restraint during the first nine months of fiscal year 1978-79.

In keeping with the new Treasury Board guidelines on office accommodation, the government in consolidating and reducing its over-all use of office space. More than 82 accommodation requests were received by the Treasury Board during the last year and the space requested was reduced by more than 20 per cent. As a result, government reduced its actual inventory of office space by about one million square feet with a concomitant saving of about $7 million in annual rent.

In keeping with government policy to conserve energy, Treasury Board has issued new guidelines for the acquisition of motor vehicles. As a result, the purchasing trend of a few years ago, which was made up mainly of full-sized sedans and station wagons, has been completely reversed. Compacts now account for 55 per cent of new purchases, while full-sized car purchases dropped to 3 per cent in 1978. Apart from the obvious savings in energy consumption, the reduced purchasing price that can be attributed to this changing mix in the government vehicle fleet is of the order of $1 million per year.

With respect to broader energy savings, Treasury Board, in co-operation with the Department of Energy, Mines and Resources, has instructed departments to observe the necessary caution of energy consumption. As a result, the government energy bill last year was reduced by $31 million. Reflecting these measures of prudent housekeeping, Ontario Hydro reported that the city of Ottawa was the only major city in Ontario to use less electricity in 1977 than the year before. A good part of the credit goes to the federal government, according to Ontario Hydro, for cutting down its consumption.

In a further attempt to conserve energy while supporting public transportation, government no longer provides all of its employees in city core areas with free parking. In 1978-79 this policy, which is now in effect throughout most Canadian cities, produced revenues of $1.4 million.

In the broad area of office equipment, government savings last year were some $3 million as a result of better tendering procedures, limiting choices and further restraint in acquisitions. Similarly, with respect to office furniture, expenditures have been reduced sharply over the past years and are now stabilized at around $5 million per year, compared to $7 million per year before the restraint program took effect. Meanwhile new policies have been put in place to maintain the newly established ceiling of $5 million.

Waste and Mismanagement

To cut down on the number of employees that were engaged from temporary help agencies, Treasury Board last year instituted a new policy whereby such employees cannot be hired for more than eight weeks and all contractual arrangements with the agencies would be conducted by the Department of Supply and Services. These policies have resulted in a much better utilization of existing public service staff while reducing government expenditures on outside help by millions of dollars.

Whereas newpaper articles last year quoted figures of $25 million for temporary help, these expenditures for the first nine months of the current fiscal year were $6.6 million for the national capital region and about $4 million for federal offices elsewhere in Canada.

First class air travel by public servants has been reduced by 90 per cent since 1975.

With respect to electronic data processing, government expenditures, expressed in 1974 dollars, have remained virtually constant at a level of some $210 million per year. In keeping with government policy, the services of the private sector are used extensively and are expected to reach $49 million in 1979-80 out of total expenditures of about $380 million.

New policies and more stringent reporting mechanisms have been introduced with respect to such expenditures as hospitality, conference travel and essential membership fees, with the result that the newly established expenditure codes for these items will enable close scrutiny and year to year monitoring.

In keeping with our general determination to improve administrative practices throughout the public service, Treasury Board has implemented over the past year new policies on the management of large capital projects, improved reporting requirements for contracts with individuals, more stringent guidelines on permissible fees and stricter control on contracts with retired public servants.

In addition to this broad range of administrative measures, Treasury Board has given new impetus to the government-wide program of incentive awards to reward those employees who make specific suggestions to improve the efficiency or effectiveness of their programs. I am pleased to report that the net effect of this rejuvenation has been demonstrated by savings of $9.7 million during 1978. These savings constitute a 300 per cent increase over the average annual savings of past years. These initiatives have brought about a sharply increased awareness among public servants of the importance of administrative restraint. This has resulted in a saving of some $75 million through these measures during the past fiscal year.

This is not the only area where public servants have shown a greater awareness for economy and efficiency in their departmental activities. Another obvious one relates to the office of the Comptroller General of Canada. Not long after the appointment of the Comptroller General the government announced that his office was undertaking a project with the acronym IMPAC—"Improvement in Management Practices and Controls". The objective of IMPAC is to work with departments to identify needed improvements in the area of management practices and controls and to develop action plans to implement these improvements. IMPAC would also provide government with an overview of the current state of management practices and controls across the public service and thus provide the basis for fact-based statements about the quality of such practices and controls.

Initially the IMPAC survey was to include the 20 largest departments of government and cover 70 per cent of the budget and 84 per cent of person-years. Subsequently a further 11 organizations have been added to the survey and the totals are now 76 per cent and 90 per cent respectively.

The IMPAC survey is being conducted by teams composed of more than 40 experts from the office of the Comptroller General and is co-ordinated by a small secretariat of five persons. The survey covers the major portion of the management cycle, from planning through the various administrative and control mechanisms to audit. It is based on a questionnaire prepared by the office of the Comptroller General prior to the start of the survey. The findings of the survey form the basis of discussions between the Comptroller General and the deputy minister of the department involved. The result of the survey and these discussions will be an action plan prepared by the department to bring about improvements in its management practices and controls, where the need for improvement has been identified in the survey.

At the present time the surveys of 13 departments are completed; the remaining seven of the first group are more than half finished. Action plans are being concluded in three departments. It is expected that all the action plans of the first group of 20 departments will be agreed to by December, 1979, and those of the other group of ten departments by April, 1980.

There are already visible results from the IMPAC survey. Often when the teams arrive at a department they find that the major needs have already been identified and corrective action is under way. Some of the action plans resulting from the IMPAC survey will take a number of years to implement fully, and although there should be an immediate improvement in management practices and controls across government, some major projects will not be completed for a number of years. The Comptroller General will be reporting progress to Treasury Board and ensuring that the momentum now under way is maintained.

● (1630)

Finally Mr. Speaker, I would like to draw attention to the government restraint program. The government announced its restraint policy in 1975 as part of the anti-inflation program. Spending is linked to growth in the GNP. This policy is applied to all spending including budgetary outlays, loans, investments and advances. Furthermore, the government committed itself to a target in advance of the fiscal year. In every year beginning with 1976-77, the first full year of the program, the targets have been set at or below the growth of the GNP. In every year the government has held actual spending well below the targets.

In both the 1976-77 and 1977-78 fiscal years, actual spending was held more than $1 billion below the announced ceilings, for growth rates of 10.4 per cent and 7.1 per cent respectively. Hon. members are aware that for 1978-79, the fiscal year just ending, the original ceiling of $48,800 million was reduced by $500 million as part of last August's spending cuts. When the public accounts come out later this year, I am confident they will show we have come in well under that ceiling. That means spending growth in 1978-79 will be less than 9.5 per cent.

For this coming fiscal year, 1979-80, $2 billion was cut from originally forecast requirements last August to give us a target of $52,600 million. I announced the details of the government's planned spending within that total when the estimates were tabled on February 19. That represents an increase of 8.9 per cent over 1978-79 spending.

The distribution of that increase among the various types of federal spending provides an indication of just how firmly the government has acted to control spending growth. About 58 per cent of the total budgetary growth is accounted for by transfer payments to individuals and other levels of government, subsidies and assorted other transfer payments. Another 43 per cent of the net growth is caused by the rising cost of the public debt. This means that estimates for operating and capital expenditures of government departments and agencies are actually lower than they were in 1978-79. In addition, I would like to note that departments, within those reduced budgets, still have to absorb the effects of inflation.

Control of public service growth is also part of the restraint program and the government's record is just as impressive. Here are the facts Mr. Speaker. In 1976-77, the first year of the program, traditional growth rate of authorized person-years was dramatically reduced to 1.3 per cent. In both 1977-78 and 1978-79 this growth was held to only six-tenths of 1 per cent. For 1979-80, largely as a result of the spending and public service reductions announced last August, there is an absolute reduction of 6,685 person-years. That is 2.1 per cent lower than last year. At that point, the size of the public service will be approximately the same as it was four years ago.

The record of the government is exactly the opposite to what is suggested by the motion before us, and knowing the sound judgment of this chamber, I am sure it will have the good sense later this day to soundly defeat the motion.

Mr. Ron Huntington (Capilano): Mr. Speaker, I had intended to rise and speak on a global matter until I heard the President of the Treasury Board (Mr. Buchanan) tell us about this period of restraint which the government in its self-worship has imposed upon the Canadian people.

I should like to remind hon. members that they are busy spending $1 billion a week and creating a deficit of $1 billion a month. We have been told by the Minister of Finance (Mr. Chrétien) that the national deficit has now increased by $1.2 billion over the estimates for the fiscal year 1979 in this "period of restraint." The Minister of Finance has further advised us that in fiscal year 1980 we will carry close to a $13 billion deficit. If this increase in the rate of deficit continues, the 1983 deficit will be close to $16 billion and the aggregate deficit between 1979 and 1983 will be $70 billion. So much for restraint!

In addition, this government has utilized $4.2 billion of United States funds in reserve to support the sinking Canadian dollar, an amount which represents about 90 per cent of the foreign reserves available in September, 1977. We have negotiated two foreign lines of credit to supply more reserves for foreign currency and by November 1, 1978, drawings in these credit lines amounted to $2.4 billion. Again, so much for the restraint expressed by the President of the Treasury Board.

Further, between 1968 and 1978 federal spending will have quadrupled, going from $12 billion to $50 billion. So much for the words of the Prime Minister (Mr. Trudeau) when he requested national air time on August 13, 1969, to discuss the economy, on which occasion he said we would be on the road to disaster if nothing was done to bring spending under control. Yet the hon. gentleman talks about restraint.

During the Prime Minister's three years of "restraint", federal spending increased by $14.3 billion, or 44 per cent. This increase amounts to $226.50 per Canadian and represents an amount larger than the entire federal budget for 1968. I am talking simply of the increase in spending during the "period of restraint."

The gross public debt is now running at about $6,700 per Canadian worker and at about $3,000 per Canadian—an increase of 87 per cent in nine years. On that same August night of August 13, 1969, the Prime Minister told us that deficits were to become a thing of the past. Mr. Speaker, the gross public debt today amounts to $67.1 billion and total government spending as of January, 1978, was $50 billion. Yet the President of the Treasury Board stands in his place and enumerates "tinkertoy" items of restraint in an effort to disarm criticism.

As I said, Mr. Speaker, I had intended to deal with a more global aspect of the problem which faces us. Once again we are engaged in a debate on waste and mismanagement. It is entirely possible that the Canadian public is numb, because in the aggregate the figures are overwhelming; it is difficult to relate to them. Just two weeks ago a reporter asked me why I was so upset about the possibility of $22,000 in postage being wasted by one of the departments of government. The reason I get upset is that I know how hard it is to save $22,000. I know how hard it is to pay back $22,000 when you have borrowed it from the bank. I also know that between $22,000 and $50,000 of capital can create one new permanent job. So I get angry when I see such a sum wasted. I know what an additional $5,000 a year could do for many people at the low income level.

There is deep and widespread concern that this parliament is not representing or serving the people properly. No doubt the introduction of electronic *Hansard* and the electronic media is accelerating the concern that something is seriously wrong. Only last Friday in the Ottawa *Journal,* Mr. W. A. Wilson

wrote a column headed "Feeling of Malaise Grips the Nation". He spoke of the "Me first" syndrome. He talked of a sense of public responsibility that seems to be missing. Few good examples are being set by political leaders, business leaders and professionals. In Mr. Wilson's view the political process does not bear upon the sort of malaise that is affecting the nation. He pointed out that in the debates on universal suffrage at the turn of this century it was feared that full democracy would lead to such heavy demands that the system would collapse. Although this has not occurred, Wilson states:

Groups within the political process discovered the art of creating public appetites and then built their hold on power by satisfying them.

● (1640)

While on this malaise which is of increasing concern to many people who want to see freedom survive and an improved quality of life evolve, I refer to a series of articles by Norman Macrae, the deputy editor of London's *The Economist*. These articles are entitled "Ailing Democracies may be Terminal Cases". Mr. Macrae points out that voting democracies have some serious challenges ahead. One of those challenges is public sector imperialism. Power has passed to what Solzhenitsyn, in his warning to the western world, called the "political bureaucrats" and the "official bureaucrats".

Macrae pointed out in his articles that these two groups now spend a higher proportion of gross national product than did the priests, kings, nobles and capitalists during their own peaks of power. I suppose the problem we face is one of human nature, for it seems that every time we allow a particular group to have power, it is certain to develop ways of keeping its own bureaucracies growing. In his articles Macrae also pointed out, and I quote:

The concentration of spending power in the hands of bureaucrats has been sanctified on the supposition that there are lots of services that can more efficiently be produced by state monopoly than by the market.

Macrae also said, and I quote:

In the past few years, it has become probable that none of these now exists.

He pointed out, and I quote:

Productivity per man in the civil service has sometimes declined during the past two and a half decades by over 90 per cent while productivity in the market sector has more than doubled.

We have an example of that here at home. The Auditor General's report of 1978 states that the public service and the federal civil service is at a productivity level of about 65 per cent when the least we should expect is an 85 per cent level. The rate is 20 per cent less than should normally be expected. Of some 330,000 man-years, 20 per cent is 66,000 man-years. On just a quick calculation, if we want a dollar measure, that adds up to something in the order of three-quarters of a billion dollars. That is an unproductive burden on those involved in real work.

Our challenge as parliamentarians is to reverse the incentive aspects which are built into this system. At present it is not in the interest of the bureaucracy to be productive, for its status and comfort are measured by the size of its budget and the person-years of departments.

[Mr. Huntington.]

In addition, bureaucrats work in an information environment where problems are committed and studied but seldom solved. Bureaucracies live on unsolved problems. For instance, since 1969 there has been a total of 26 royal commissions appointed by this government. In the public accounts of 1978 the cost of six commissions and studies or reports came to over $5 million. I have not been able to obtain the figure for the cost of studies over the last decade.

Another serious aspect of public concern, as I sense it, is that the interests of parliamentarians seem to be above those of the people and that this institution has become a top down—not a bottom up—institution of democracy. That has become dramatically evident in the last decade. Parliament has gone completely contrary to the popular will on such issues as capital punishment, bilingual policies, communications policies and the use of the Unemployment Insurance Commission as a welfare and wealth distribution scheme instead of protecting the insurance aspects of its purpose. That alone this year is another $5.3 billion burden which should really be a self-supporting program.

The inability of parliament, through fear or its shrug attitude, to do anything about the problems within the civil service and the mismanagement and anarchy within the Post Office is a challenge which has been with us for the last five years. The situation today is no better than it was five years ago. I suppose it is fair to say that there is lack of leadership in this institution because we are caught up in the "Me first" syndrome, and we are not offering the leadership which must come from the top. We have failed so far to get the system under control and to deliver an efficient, economic and effective use of the tax resource, which comes solely from those engaged in real work. This concern exists in all free countries, not just here, and because this institution does not react as it should we call for direct democracy. We see the Prime Minister and some of his wise men from the west calling for this great direct democracy, which is symbolized, in most people's minds, by proposition 13 in the state of California. Just as an aside I would like to say that when the Prime Minister and some of his hypnotized followers speak of direct democracy, the farthest thing from their minds is the example of proposition 13, which has the force of law.

I am new to politics and have trouble relating to the art, which really serves only the short-term, election to election needs of political power. To me there is a serious flaw in a system which fails to look beyond the next election in planning the use of its resources wisely. I note that there is nothing in the proposed constitutional changes and entrenchment of rights which moves to correct these flaws. Where do we see a right for the taxpayer to be guaranteed a balanced budget? Where do we see entrenched a right for the taxpayer to be guaranteed efficient, economic and effective use of the tax resource?

I have also been reading Reginald Whittaker's book "The Government Party", which is an exposé on the organizing and financing of the Liberal party from the years 1930 to 1958. It really boils down to the fact that the art of political power in

Canada, as perfected by the Liberal party, is the art of patronage and building and controlling a bureaucracy. The last decade has seen the use of these instruments of political power rise to the point where the rank and file Canadian can no longer contain his disgust for politicians and the system. Patronage does not serve the poor. It does not distribute wealth, as the Prime Minister loves to imply with his quote "From those with means to those with no means". Patronage redistributes wealth on a constituency basis, with the beneficiaries being the middle class. It ignores minorities.

The building and use of the bureaucracy as a root of political power in the last decade has now arrived at the point where its cost is overwhelming those responsible for the production of wealth. The increasing workload on members of parliament caused by civil servant buck-passing, indifference and, at times, sheer arrogance, is becoming truly alarming. This issue is not limited to the Canadian civil service. It seems to be a wide issue in the western world and is very well reported on in a book from the United Kingdom entitled "The Disobedient Civil Servant". So I say again that we are dealing with a phenomenon which is not limited to our own country but, nevertheless, one which must be addressed in a serious way in this House when we are debating the mismanagement of our resources.

We must ask whether parliament, which sits over this bureaucracy, can survive as a form of government capable of continuing to protect and serve man's freedom and man's quality of life. Can the member of parliament improve his performance and serve meaningfully a public which feels increasingly isolated? In the role of watchdog over supply, can the member of parliament accept the full role of a director elected to represent the shareholders of Canada? Our record is tragic, and the neglect of our overview and watchdog role with regard to the nation's tax resource is a disgrace.

The introduction of television into the House now delivers the challenge of these questions squarely onto the desks of members of this House. Can we react to the warnings of Solzhenitsyn and Norman Macrae of *The Economist* of London, England? I think we can. I think we have to move in a substantial way to improve the committee system of parliament if we are going to manage the tax resource properly.

I offer the following suggestions. First, the public accounts committee should be given a permanent director with the right to hire and/or call on research staff as required on particular subjects. The committee should be given a permanent committee room with office facilities adjacent. The committee should perhaps be reduced to 14 members or less with parliamentary secretary pay and status. The chairman should be from the opposition and should be given the proper status for his responsibilities. The function of the committee should be to conduct audits, and it should study and report on government-wide issues. Perhaps the committee's proceedings should also be televised.

• (1650)

In addition, and parallel to that committee, I should like to suggest that there be put in place a permanent expenditure committee with a permanent director, a budget and the right to hire or call on research staff as problems require. It should be given a permanent meeting room and office facilities, perhaps adjacent to those suggested for the Standing Committee on Public Accounts. It should be made up of 14 members or less, members should have parliamentary secretary status and pay, and the chairman of that committee should also be an opposition member. Its function should be to examine and review the criteria supporting the spending process.

In view of the fact that we now have 400 Crown corporations, I think that a permanent Crown corporation committee should be set up with an act supporting the function of that committee. Its object should be to review the objectives and the use of resources by Crown corporations. Again a permanent director should be appointed with a budget to hire or draw on research staff as required for the subject matter at hand. Again these facilities should be co-ordinated with those suggested for the public accounts committee and the expenditure committee. The parliamentary secretary pay and status should also apply to members of that committee.

With these suggestions, if we could put a view on the spending process at the beginning and also at the end and examine the activities of Crown corporations which also have a spending capacity based on a public resource which creates a contingent liability, we could start to get the essentials of this process under control.

I should also like to draw the attention of members to *Votes and Proceedings* of Friday, March 23, and the substantive report which members of the Standing Committee on Public Accounts submitted to the House in their third report dealing with the reorganization of the form of the estimates, marrying that form to the public accounts so that we can have audit trails from a vote appropriation all the way through to the reporting of the fact in the public accounts. We are also calling for an informational system in the form of the estimates, a summary volume and other volumes to follow which would provide the detail within each department, opening up and removing once and for all this aura of secrecy which seems to prevail around a poorly presented wealth of information which has not been organized in the proper form. I would commend to hon. members a reading of that third report because I think it is one of the more important reports that that important committee has tabled in this House.

As I listened to the President of the Treasury Board I came to the conclusion that only self-worship or the narcissism of this Liberal government prevents their recognition of the malaise that faces our people and our form of government. They have had an opportunity to correct the system in the last decade and they have not. We have heard of the extent of their restraint program and I have figures to show the infinitesimal effort that has been made in light of the magnitude of the challenge that has faced the government. They have delivered a debt which future generations will have to carry and which

rests at $67 billion at present. The service cost on that debt is 150 per cent the amount spent by our Department of National Defence. This government, with its restraint program, has borrowed money to pay interest on loans and is spending $6,500 million a year servicing that debt when it spends only—

The Acting Speaker (Mr. Turner): Order, I regret to interrupt the hon. member but the time allotted to him has expired. He may continue with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Hugh A. Anderson (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I listened with great interest to the two speakers from the official opposition, the hon. member for Calgary Centre (Mr. Andre) and the hon. member for Capilano (Mr. Huntington). Perhaps it should be noted that at present the Government of Canada redistributes approximately 71 per cent of the tax money it collects to the people of Canada in the form of direct payments, such as CPP, old age security, family allowances, and the transfer of payments to the provinces for medicare and welfare.

In other words, out of the 100 per cent revenue which the federal government collects, approximately 29 per cent is spent directly by the government on the armed services, the Post Office and various direct contributions which the federal government makes. What we have seen in the last generation, that is in the last five, ten or 15 years, is a very large increase in the amount of money that is transferred to individuals and provinces, and a gradual decrease in the amount for which the federal government has direct responsibility. Some of us on this side of the House have concern over the fact that the federal government has less and less operating room as the amount of money it spends shrinks, whereas our non-discretional amounts increase.

The hon. member who spoke before me referred to the deficit and the increase in federal expenditures. What he did not say is that those increases are taking place in areas which I have already mentioned, that is, old age pensions, family allowances and transfers to provinces. If the hon. member is going to be honest and call for a cutback in government expenditures, he would have to call for that cutback in moneys that are paid out to the provinces and to individuals; but I have never yet heard the opposition call for a cutback in transfer payments to individuals or in old age pensions. Quite the contrary, they would like to have it both ways. They would like to appear financially responsible and at the same time ask for further increases in government expenditures.

If I may, Mr. Speaker, I would like to quote from an article in today's Ottawa *Citizen* by Leonard Shifrin entitled "Strange Paternity of Politics". It reads:

> Since the Budget Control Act of 1974, the U.S. has treated tax expenditures—selective benefits provided to the tax system by way of deductibility of mortgage interest, a preferential treatment of capital gains, and so on—the same as direct expenditures. Every year Congress is presented with a tax expenditure budget as well as a direct expenditure budget, and the two are debated and passed together.
>
> The tax expenditure concept has been virtually ignored in Canada until Clark pushed it into prominence in his long list of selective tax cut promises. With the total cost of those promises now approaching $6 billion, the idea that tax spending needs to be watched as closely as direct spending is starting to take hold.

We heard just prior to my rising in the House two members of the official opposition who have gone up one side of the government and down the other regarding budgetary deficits. It appears from the article from which I quoted that there is a fear, not only among the press but among other people, that the official opposition, in their quest for power, has now brought out a program which would add a further $6 billion deficit to the existing deficit. I have heard no one in the House deny that the various programs outlined by the hon. Leader of the Opposition (Mr. Clark) would not in fact cost Canadians an additional $6 billion. Yet in considering an official opposition motion today, under which we are supposed to be discussing waste and mismanagement, the remarks of two members of the official opposition have been to the effect that we should decrease the budgetary deficit. I am not sure if hon. members have read the comments of the hon. Leader of the Opposition who has said exactly the opposite. In fact he has gone on record—

● (1700)

Mr. Huntington: You are misleading the House and you know it.

Mr. Anderson: I hope the hon. member is not disagreeing that the Leader of the Opposition said that they would increase the deficit from its present level. In fact, the finance critic of the official opposition, in trying to explain that position, said that it would be only a temporary increased deficit for perhaps a month or two. If the offocial opposition is saying that it can go into an additional $6 billion deficit and eliminate it in a month or two, perhaps this should be brought forward to Canadians. Not only many members on this side of the House but people across Canada wonder how a $6 billion deficit can be diminished in a month or two.

Hon. members opposite seem to feel that their position is rational, that we should be attacked as being financially responsible for the deficits we have incurred. Yet they will be more financially responsible by incurring even greater deficits. If hon. members opposite can marry those propositions together, God love them, because they will have to do so not in the House but before Canadians within a short period of time. Then the people of Canada will judge whether they can give out promises of $6 billion and at the same time attack the government for not being financially responsible. Until hon. members opposite marry those two propositions together, I suspect Canadians will do exactly what I am doing today. They will ask, "How can you criticize the present government for deficits when you are telling us that you will give us even greater deficits?"

The hon. member for Calgary Centre questioned the adequacy of the government's implementation of management and administrative procedures which will ensure that taxpayers' funds are spent efficiently, effectively and according to the will of parliament. Only a few weeks ago in the House I participated in a debate wherein, due to the fact that teaching facilities at universities for doctors, nurses and dental assistants were sufficient and that there were more rooms and class facilities than were being utilized presently, the Government of Canada decided to cut that program off. Obviously it was no longer needed. The classrooms which were built and the facilities which were put up were not being utilized fully at the present time. In the same debate I listened to the official opposition say that the Government of Canada should spend that money anyway since it is committed to the provinces, and that regardless of spending another $12 million, $15 million or $20 million, we should create additional classrooms even though the present ones were not being fully utilized.

I bring this matter up because it is very hard for some members on this side of the house to hear that we are being financially irresponsible, yet on almost every occasion when we say that funds can be cut from this or that area and we provide a rationale for it, usually we are criticized in ringing terms for not caring for the people of Canada. There are certain ways it can be done. For five years I have listened and the most criticism we have received is that various departments are not funded enough. Hon. members on this side will realize that day in and day out we are castigated because we do not provide money for worthy projects. One can say that on one hand, and then say on the other hand that the government should be more financially responsible, should not increase its deficit or its budgets. But one cannot have it both ways.

Mr. Paproski: When did you start becoming responsible?

Mr. Anderson: One cannot have it both ways. One must be financially responsible and say no, especially when considering the stupid argument regarding whether further classrooms should be built for dentists, doctors and nurses. It was the most ridiculous argument I have ever heard, that since we committed the money, whether it was needed or not, we should continue to spend it. That is what the official opposition does: they want it both ways, and they cannot have it both ways.

With respect to taxpayers' funds being spent officially, it must be obvious to all members that parliament has made many provisions by which the Government of Canada accounts to parliament for the funds which it has appropriated. The principal piece of legislation is the Financial Administration Act and the related regulations promulgated thereunder. Parliament is provided with many opportunities to review the government's financial operations, contrary to what has been said by some members today, both prospectively and retroactively. For instance, these opportunities are: the estimates tabled by the President of the Treasury Board (Mr. Buchanan); the budget introduced by the Minister of Finance (Mr. Chrétien); the statements of financial operations published monthly by the government in the *Canada Gazette*; and the public accounts of Canada prepared by the Minister of Supply and Services (Mr. De Bané) and tabled in parliament by the Minister of Finance. The estimates and the public accounts of Canada are reviewed in depth by committees of the House of Commons, and the budget of the Minister of Finance is debated in the House. Also there is the annual report of the Auditor General which is tabled in the House. This provides members with the opportunity, if they wish to partake of it, to review an independent opinion of the financial operations of the government.

It is no secret that we in this House are dealing with the main estimates in each of the standing committees at the present time. Hon. members have alleged that they are not given an opportunity of looking into departmental spending, yet last Thursday the Standing Committee on Indian Affairs and Northern Development met and we sat for 35 minutes waiting for a member of the opposition to show up and look at the main estimates of the department. Obviously members are busy, but we hear the same complaint month in and month out, year in and year out, that members do not have an opportunity to look into the estimates and spending of departments.

If people in Canada attended a standing committee meeting, they would wonder what we are doing. It is obvious to many members on both sides of the House that the time we have to look at the main estimates is not utilized very well. Often we wait 15, 20 or 25 minutes for a quorum to start proceedings. In many instances members do not discuss the main estimates but matters which pertain to their ridings. They use this procedure as a means of asking questions of departmental officials, as well as the minister of the particular department concerned. I do not disagree with the right of members to do so, but if they are before the committee to look at the main estimates and to question government spending, then I am sorry I have to say that the time is not being utilized well.

Also it is fair to say that the annual report of the Auditor General gives members of the House the opportunity to review an independent opinion of the financial operations of government, especially as it relates to the use of spending authorities according to the will of parliament. The forum for this review is the Standing Committee on Public Accounts.

I should like to refer to one matter which has caused me some concern; it has been discussed by members on both sides of the House. We now have an Auditor General who is totally independent, we have a Comptroller General and we have people who look very closely at the spending of government. I wonder if hon. members in the opposition have considered that it is all very well to look at the actual spending and the fiscal accounting operation of departments and their budgets but have concluded that there is an overstepping into the actual decision making about money to be spent by particular departments. From my own point of view, I have some fear that the more controls and the more watchdogs you have in respect of government spending, the more in fact you are questioning the decisions of the government to spend.

● (1710)

I am sure there will be several projects in the department for which I have concern, the Department of Indian Affairs and Northern Development, which in years to come will come under criticism in reports of the Auditor General. We are in a devolution period in the Department of Indian Affairs and Northern Development. We are asking Indian people across this country to participate more in decision making regarding their own affairs, and this includes financial responsibility. However, with decentralization not only from Ottawa to the various regions across Canada, but decentralization of funds to Indian bands, with those bands making more decisions regarding their financial affairs, there will be the creation of additional conflict between the Auditor General and the Department of Indian Affairs and Northern Development.

I bring this to the attention of the House in the hope that at some future date we will not have so many watchdogs over the Government of Canada, this parliament and the various departments that no one will want to make a decision for fear the decision will be brought forward in the Auditor General's report, or in some other report, showing the financial administration carried out by them in disfavour.

I think it is fair to say that the government shares a healthy concern for adequate accountability which, I hasten to say, has not been brought about because of a malfunction of the system but rather by a desire to improve the existing system. To achieve this very objective let me remind members that the government established a royal commission of inquiry on financial management and accountability in the Government of Canada. The creation of this royal commission was announced by the then president of the Treasury Board on November 22, 1976. If I may quote him, he stated at that time:

—I wish to inform the House of the circumstances which led the government to establish a royal commission of inquiry on financial organization and accountability, and to comment on the terms of reference of that commission as laid down in the order in council which I have just tabled.

Hon. members will note that the mandate of the royal commission has two distinct but, in the government's view, closely interrelated objects: Financial organization, namely, the structure, systems and procedures whereby financial management and control are exercised and should be exercised at all levels and in all departments and agencies of the Government of Canada; accountability, namely, the structure, systems and procedures required to ensure the effective administrative accountability of deputy heads of departments and heads of Crown agencies to the government and, where appropriate, to parliament.

The first object of inquiry reflects the extent to which the government shares the concerns expressed by the Auditor General in his report to this House for the fiscal year 1975-76, as well as during his numerous appearances before the public accounts committee, that the highest attainable standards be met in the administration of public funds. The second object of inquiry reflects the government's determination that the complex of issues, both technical and political, raised in considering certain specific recommendations of the Auditor General be clarified or resolved as swiftly and as effectively as possible.

The president of the Treasury Board at that time—

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. parliamentary secretary that his allotted time has expired. He may continue with unanimous consent. Does the hon. member have unanimous consent?

[Mr. Anderson.]

Some hon. Members: Agreed.

Some hon. Members: No.

THE ROYAL ASSENT

[*English*]

The Acting Speaker (Mr. Turner): Order, please. I have the honour to inform the House that a communication has been received as follows:

Government House
Ottawa

March 26, 1979

Sir,

I have the honour to inform you that the Honourable Yves Pratte, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 26th day of March, at 8.15 p.m., for the purpose of giving royal assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
Edmond Joly de Lotbinière
Administrative Secretary
to the Governor General

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—NON-CONFIDENCE MOTION—CONDEMNATION OF CONTINUING GOVERNMENT WASTE AND MISMANAGEMENT

The House resumed consideration of the motion (Mr. Andre):

That this House condemns the government for its continuing waste and mismanagement, and its failure to implement management and administrative procedures that will ensure that the taxpayers' funds are spent efficiently, effectively, and according to the will of parliament.

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, we are back again with another motion with regard to waste and mismanagement. The only suggestion I would make is that this motion should have the word "duplication" added to it as, of course, duplication has been a specialty of this government. We in opposition have taken a responsible position over the years in dealing with waste, mismanagement and duplication, but we have been stonewalled every time by Liberal members and members of the NDP who are no more interested in restraint and cutting back on expenditures than in flying to the moon.

One of our first attempts with a responsible motion was on February 2, 1978, when we called for the formation of a special committee to be struck before February 28, 1978, to consider the enactment of sunset laws to provide for the termination of programs or agencies which had outlived their usefulness. This was a motion presented by the Leader of the Opposition (Mr. Clark). Of course, it was talked out by members of the NDP and Liberals who are not simply interested in a proper examination of government departments and their expenditures—it is a matter of philosophy—and also the adoption of new, flexible budget planning techniques to discourage unnecessary growth of department budgets. Of course, if anybody wants to find out whether we have any control of things he just has to read the Auditor General's comments, but I will get to that in a few minutes.

This situation of parliament no longer having any control of expenditures came about in 1968 when one of the first acts of the Prime Minister (Mr. Trudeau) was to change parliamentary rules so that there was no proper examination of expenditures. I will get to his comments about that in a few minutes.

The hon. member for Comox-Alberni (Mr. Anderson), who has just spoken, said that we have a proper examination of the budget and the expenditures of these departments. What a ridiculous lot of nonsense that is. We do not have any control at all. There has only been an amount of $19,000 removed from budgets since 1969 out of the hundreds and hundreds of millions of dollars that have been spent. There is no proper review in depth when we consider the miscellaneous increases to which the Auditor General has referred, without even considering the Auditor General's comments. He has said that he cannot even find out where the money is going.

We have heard a lot of reference to restraint, but that is not really the right word in many cases. We should be referring to the elimination of duplication, mismanagement and waste. I should just like to refer to a few of the costly luxuries and excesses of this government. Let me give these examples. A consortium of seven major oil companies cancelled a promising $60 million drilling program off the coast of Labrador in 1977 because Ottawa and Newfoundland were both seeking control over offshore minerals.

In Quebec, public housing projects worth $150 million were blocked for as long as four years because of disagreements between federal and provincial agencies.

The residents of some 20 communities in southern Manitoba were denied cable television for three years while officials in Winnipeg and Ottawa fought over the ownership of a certain type of cable equipment.

• (1720)

In 1975, the tax burden on the Brenda copper mine in British Columbia was more than double the rate paid by competing mines in the United States as federal and provincial attempts were made to solve this problem. There has never been any attempt by this government to eliminate a lot of this duplication.

A moment ago an hon. member in the NDP was exhorting me to tell the truth. The hon. member for Yorkton-Melville (Mr. Nystrom) referred to a great deal of figures earlier this afternoon with regard to provincial debt. He also referred to the Alberta debt, and the fact that the municipal debts and a great many other debts in that province have recently been reduced. The latest figures are not out for the provincial debt of Alberta. Therefore, there is no way that a member can quote figures in this House on the debt of Alberta. If anyone wants to talk about the debts of provinces, they should present the whole picture including the ways in which provinces transfer their debts. For example, some provinces transfer their debts to Crown corporations. There is no way that one should quote debt figures unless one goes into total detail.

Another example of waste by this Liberal government is the $4 million spent on the Task Force on Canadian Unity. There was no need for the appointment of this body at all. Every time this government feels that there is a crisis, they give a job to Jean-Luc Pepin. The members of this House and the Senate are elected and appointed to deal with the problems of this country. My leader took a responsible position with regard to this task force and proposed the appointment of a joint committee of the House of Commons and the Senate to solve the problem. We do not need Pepin or somebody else to travel across the country at a cost of $4 million. Last year a joint committee sat through part of the summer and into the fall to deal with Bill C-60, the constitutional bill. Another such committee could have dealt with this matter. There might have been some travelling expenses, but I am sure that we could have saved from $3 million to $3.5 million.

When the government is responsible and controls its expenses, it shows up on the bottom line in the rate of inflation. Since the end of World War II, there have been only four governments which have had sound financial policies and controlled their expenditures. During these governments, there was nobody dying on the streets or starving to death because there was sound financial policy. I will refer to three, the Adenauer administration of Germany, the Eisenhower administration and the Diefenbaker administration. They had the best record of any governments since World War II right up to the period between 1957 and 1963. While the other two countries had an inflation rate hovering around 2 per cent, the inflation rate of the Diefenbaker government was between 1.2 per cent and 1.6 per cent. That is a very enviable record and I hope that we can return to controlling inflation again with a responsible government in this country.

With this government it is either total incompetence or deliberate incompetence. When one studies the statements made by the Prime Minister over the years with regard to—

Mr. Huntington: It is deliberate.

Mr. McKenzie: The hon. member says that it is deliberate. I would like to read some of the statements made by the Prime Minister because they are certainly very suspicious. He has stated:

You can never spend more than you have; otherwise you have endless inflation.

He did not mean a word of what he said because at the present time the government is spending $1 billion per month more than it takes in. The comments by the President of the Treasury Board (Mr. Buchanan) this afternoon are absolutely meaningless. It can be covered with jam, meringue, honey and all the rest of it but with all his sweet words and sweet talk, the government is spending more than $1 billion a month more than it takes in. The Prime Minister identifies the problem and indicates that he knows what will happen, but he goes ahead and does it anyway.

The Prime Minister has also said:

I have never been able to accept any discipline except that which I imposed upon myself . . . I found it unacceptable that others should know better than I what was good for me.

That is the philosophy of an individual. It is not the philosophy that one looks for in a politician—a politician that will not accept discipline. I guess that is why the Prime Minister changed the rules in 1968, so there would be no proper parliamentary control over expenditures. That was one of his first acts as Prime Minister, because he has no use for this House at all. Here is another statement made by the Prime Minister:

Federalism must be welcomed as a valuable tool which permits dynamic parties to plant socialist governments in certain provinces, from which the seed of radicalism has slowly spread.

What on earth does he mean by that? That is a very, very strange statement, and it creates suspicion as to what this man is really up to. The Prime Minister has also said:

Indeed the experience of that superb strategist, Mao Tse-tung, might lead us to conclude that in a vast and heterogeneous country, the possibility of establishing socialist strongholds in certain regions is the very best thing.

Such a move would only create further suspicion. As one of my colleagues said, this is a very deliberate plot to bankrupt this country, this mad Liberal spending that we have.

I would also like to refer to the famous Liberal vanishing act which the Auditor General highlights every year. In speaking before the House of Commons public accounts committee in February, Canada's Auditor General, J.J. Macdonell, said that his department could account for only half of last year's $47 billion in federal expenditures. Macdonell told the House committee that reports his department receives on government spending are so confusing that it is a big gamble to certify government accounts at the end of the year. We hear the hon. member for Comox-Alberni making statements to the effect that everything is under control. He read out statements to the effect that we would have proper accounting and what have you. There is no proper accounting at all.

Officials from Mr. Macdonells' office complained that the spending estimates contain too many complicated tables when simple written explanations would tell more. They criticized government spending estimates as containing too much distracting detail and not enough information on how much money each program actually costs. The Auditor General's department said that important facts about planned expenditures are virtually impossible for parliamentarians and taxpayers to get their hands on. This is exactly why we presented our motion on February 2, 1978, to have a proper parliamentary system with investigative powers and the power to bring witnesses in under oath. It would mean a sincere effort properly to examine expenditures.

Another example of duplication is the recently appointed National Commission on Inflation to replace the AIB, although some of the staff will be transferred over to the National Commission on Inflation and the Department of Consumer and Corporate Affairs. There are three different groups looking into prices, inflation and what have you. I do not know why we need the AIB or the National Commission on Inflation.

I would like to read out to hon. members the objectives of the Department of Consumer and Corporate Affairs which has a budget of $75 million a year and a staff of approximately 2,700 people. Their objective is to promote the integrity and viability of the market system in Canada. One of its subobjectives is to protect and promote the interest of consumers by working toward a fair, safe and efficient marketplace. With a budget of $75 million and a staff of 2,700 people, why is the Ministry of Consumer and Corporate Affairs not investigating supermarkets with their price gouging? They are not living up to their mandate. Why do we need the AIB and the inflation commission? They are just window dressing.

When there is responsible government, it attracts investment. By attracting investment the employment situation looks after itself. The Liberal government likes to talk about the 450,000 jobs they have created. If the private sector could create 450,000 jobs with a Liberal albatross around their neck, imagine what it could do without the albatross. We would be well off in this country. I must emphasize that unemployment is costing us $8.5 billion a year. If things are so good, it should not be costing $8.5 billion to cover unemployment. This figure is broken down as follows: $4.5 billion goes to the Unemployment Insurance Commission; $2.5 billion is accounted for in lost taxes and $2 billion is allocated for welfare. Canada has a very serious problem on its hands.

● (1730)

I will give you an example of what can happen with a socialist type of government in power, like the one here in Ottawa, and like the one we had in Manitoba. I have figures here which I have read into the record before. An investment counsellor has gathered some devastating figures of the amount of money which moved out of the province of Manitoba when it had a socialist government in power. That government was the best friend Alberta and the United States ever had. Now that the socialist government is no longer in power, the economy of the province is starting to turn around. The province cannot do it alone. The government is doing a remarkable job since it has taken over, but it still has the Liberal albatross from Ottawa around its neck.

An example of what has happened since the socialist government was defeated in Manitoba is as follows. Finance minister Donald Craik said:

> Private investment in Manitoba during 1978 increased by 22 per cent, the highest increase of any province in Canada.

Mr. Craik went on to say:

> —he was "naturally encouraged" by the revised figures from Statistics Canada on private investment last year.

I will now cite national figures. In 1970 to 1972 direct investment abroad was $1 billion a year. For 1976 to 1978 it was $3.1 billion. Investors have no faith in this government and that is why they are taking their money elsewhere. The examples of the situation for Manitoba which I gave a moment ago are an exact duplicate of what is happening across the country. Investors do not put ads in the paper; they do not tell anyone; they just silently move away. If anyone wants to challenge the figures, he can come to my office and I will give him statistics that show the number of businesses and the amount of money that have left this country over the last three or four years.

Whether a country is being run properly is evidenced by the amount of money it can attract as investment. Canada attracts very little. Foreign investors do not look kindly on this nation. In 1970 to 1972 direct foreign investment in Canada was $2.4 billion. Today it is $0.025 billion and declining. We will have these serious problems with unemployment, and what have you, as long as we have socialist governments, which the Prime Minister says he wants to plant in different provinces, and as long as we have the socialist philosophy we have here.

If we ever have an election and this government is re-elected, we will have exchange controls. This government has repeatedly denied it will impose exchange controls. This government cannot control money leaving this country and it cannot attract money. People abroad are discussing the subject of exchange controls. In the March 16, 1979, edition of *Myers' Finance & Energy* is an article entitled "Exchange Controls Coming?" The Prime Minister and the Minister of Finance (Mr. Chrétien) on many occasions have denied that exchange controls will be imposed, but they have no credibility at all. Their word means nothing. We have already seen that evidenced during the last federal election campaign concerning wage and price controls, and the other ridiculous statements made by the Prime Minister that he will control expenditures, which I have read into the record today. In the *Myers' Finance & Energy* March 16 edition it is reported:

> Just as obviously Canada cannot continue to tolerate this haemorrhage of funds.
>
> That suggests foreign exchange controls. That means permits to get money out. Just how stringent, liberal or temporary, remains to be seen. But controls, once started, could hardly be removed as long as this threat of Quebec's separation hangs over the country.

We have a double-jointed problem, Mr. Speaker. If the Canadian people are considering returning this government to power they will be faced with exchange controls. Government members can make all the statements they want denying imposition of such a thing but their word means absolutely nothing. Canada's situation is being analysed from abroad. I have given you the figures showing the amount of money which is leaving this country, as well as the little bit that is dribbling in. We cannot survive. The only solution which the government can come up with is either to print more money, borrow more money, or spend more money. Let me remind hon. members that in order to pay the interest charges on Canada's debt it costs Canadian taxpayers $23 million a day. But here we have the President of the Treasury Board (Mr. Buchanan) and the hon. member for Comox-Alberni telling us how wonderful everything is and that they have everything under control.

In fiscal 1980 total federal spending, budgetary and non-budgetary, will reach $52.6 billion. This figure is up $4.3 billion, or 8.9 per cent from the $48.3 billion spending forecast in fiscal 1979. The $4.3 billion in planned spending increases is the largest dollar increase in spending since fiscal 1976, the year in which the 1975 federal spending restraint program began.

It is interesting to note that when the present Minister of Finance was the president—

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. member that his allotted time has expired. He may continue with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[*Translation*]

Mr. Marcel Roy (Laval): First I want to congratulate the hon. member for Calgary Centre (Mr. Andre) for his motion which reads as follows, and I quote:

> That this House condemns the government for its continuing waste and mismanagement, and its failure to implement management and administrative procedures that will ensure that the taxpayers' funds are spent efficiently, effectively, and according to the will of parliament.

That initiative will give us an opportunity to explain to the people of this country the various government policies, the allocation of budgets, the cuts made in several departments, the various recommendations that were made in the last few years. The wording of this motion is very general and resembles somewhat the comments we hear more and more often. Those comments are heard in families not only in my riding, in my province, in this country, but I think those remarks or comments are heard all over the planet. Let me explain. I think we all heard it said that the man who asks his wife for more details about the management of the family budget occasionally has a few not always very flattering remarks to make to his wife. But that happens regularly in all families, as I was saying, not only in Canada but all over the planet. It is part of the reason why I congratulate the hon. member for Calgary Centre for pointing out that situation with his motion which allows the government to explain the

various budget measures to improve that situation and the situations which were pointed out.

Mr. Speaker, this opposition motion has no originality whatsoever because after listening to all the speeches made by opposition members, I have yet to hear suggestions or recommendations as to the departments or Crown corporations which should cut their budgets or staff. We are still waiting for those suggestions or recommendations.

● (1740)

This afternoon, the minister spoke about his program, and I shall come back to that later on. This day gives us an opportunity to put things in perspective, and I am certain that if the opposition can make any positive and concrete suggestions to reduce the deficit further or to improve our management criteria, they will be greatly appreciated by the minister whether he receives them in this House or in the Standing Committee on Public Accounts. The hon. member for Calgary Centre talked about the deficit generally, and also talked about deficits and inefficiency at the Post Office Department.

Mr. Speaker, since the hon. member spoke about this department in particular, I would like to remind him that if he had been there for the consideration of the Post Office estimates on March 5 last, when the Postmaster General (Mr. Lamontagne) appeared before the Standing Committee on Transport and Communications, he would know what the minister said about the situation in his department. At the staff level, it should be noted that it is in this department that cutbacks have been the greatest. The department lost 1,850 man-years because of the cutback program.

The minister also spoke about the efficiency standards which are now applied in the Post Office and mentioned some data collected quite recently, more specifically last January. The minister said that 93 per cent of items for local delivery, or 40 per cent of all mail items, were delivered in the 24 hours following their mailing and that 98 per cent of the mail was delivered within 40 hours. Moreover, in eight of the 22 postal installations covered in the survey, 100 per cent of the mail was delivered within 48 hours after its mailing.

I wanted to speak about this particular department in view of the comments made by the hon. member for Calgary Centre in his speech supporting his motion. I now come back to the deficit item of the budget. It is stated that the deficit amounted to $90 million for the year 1972-73. Thereafter, it increased yearly according to the various work agreements which were signed. In 1976-77, the deficit reached $578 million, but it went down by $19.5 million in 1977-78, and we expect a significant decrease this year even in the face of higher gas prices and wages under new collective agreements.

Mr. Speaker, I make all these comments to show how serious the hon. member really was in moving such a motion. I believe that the text of the motion is simply a pious wish aimed at blaming the government. The hon. member even said that he could criticize the activities of various departments all day, but I only gave the facts for the department that he chose himself and I am giving the answer that we received when we considered the estimates of the Post Office Department during the March 5 meeting of the Standing Committee on Transport and Communications.

Mr. Speaker, I shall now continue to comment on what the minister said this afternoon. I have no intention of dealing with all the matters raised by the President of the Treasury Board this afternoon, but I will simply deal with his reference to efficiency standards developed in some departments, and especially the particular attention granted to 24 departments accounting for 80 per cent of total Canadian government expenditures.

Efficiency and motivation standards were also established for public service employees. There has been, as well, a first report of these efficiency standards and new policies put forward by the government to reduce expenditures and increase efficiency. It may be easy at some point to reduce expenditures, but increasing efficiency and productivity in the public service is another story. The minister made reference to the energy conservation policy established in every department. He also referred to the purchase of compact automobiles in all departments. I wonder if at the provincial level the same recommendations were given to employees. The minister also referred to higher than 90 per cent reduction in first class transportation. The minister has also informed us in February last of the over-all budget allocations. What was the increase in estimates over the last few years? If criticism must be levelled at someone or some department, figures have to be put in context. So just what was the increase or the growth rate in Canadian government expenditures over these last five years? The increase in 1975-76 was roughly 18.5 per cent, 10.4 per cent in 1976-77, in 1977-78 the growth was 7.1 per cent, in 1978-79 they went up 9.5 per cent, and for 1979-80, our estimates read 8.9 per cent of total expenditures. Comparing the current year with fiscal 1975-76, where the growth rate was about 18.5 per cent, the current 8.9 per cent shows a significant decrease, greater than 50 per cent.

It is very easy to blame the government for higher expenditures, but where do these increases occur? What is the allocation of resources for various functions? Hon. members certainly received the distribution of those expenditures and it must be noted that regarding the health and welfare of Canadians, a total $18.33 billion are allocated in the current fiscal year. Are opposition members claiming those national health expenditures should have been reduced? Those $18 billion, 35.5 per cent of total Canadian government expenditures, are transferred to the provinces. Those funds collected by the Canadian government are redistributed for the health and welfare of Canadians. From this amount, we go on to debt service, $8 million or 16.5 per cent of the total budget. Economic expansion, $5 billion, or 10 per cent, and $5 billion for defence. But

if we now turn to the budget, I note that for my province, Quebec, a high percentage of expenditures come under direct assistance to individuals. I note, for instance, that under the various federal government programs, an amount of $1.35 billion is provided for equalization payments to Quebec. Now the province of Quebec can do as it wishes with these funds paid out by three provinces, British Columbia, Alberta and Ontario, to help the poorer provinces, in accordance with their needs and priorities, develop the economic sector they wish, their industry, for instance; but the provinces could also distribute the money among their residents if they wished. Under these equalization payments, Quebec gets 52 per cent of the total amount paid out by these three provinces. I do think we ought to mention it, especially in the context of a constitutional debate. I note that amount, Mr. Speaker, and the source of information is the C.D. Howe Research Institute as published in the periodical *Accent Québec*. It is a research and publication program set up by the C.D. Howe Research Institute of Montreal. We note here that the steering committee is chaired by Mr. Michel Bélanger, president of the Provincial Bank of Canada, and includes members of some New Brunswick universities, business leaders such as Alcan officials, but I will not list all the members of that board of directors. Research has been performed by the C.D. Howe Research Institute which has already published about ten booklets on taxes, expenditures in Quebec and in Ontario, a comparison of taxes and expenditures in those two central provinces. I refer to page one. It is pertinent and I think it should be stated, because I have never seen that excerpt in any newspaper. I quote: The central government has also paid a substantial amount of equalization payments to Quebec. The combination of its own revenue with equalization payments provides Quebec with a total per capita income higher than in Ontario. However, the level of per capita expenditures is higher in Quebec than in Ontario. Thus, in spite of the fact that Quebec is financially poorer than Ontario, it spends more per capita.

The following question should be asked: Does that higher level of expenditures indicate superior services, a greater need of public services or a less effective distribution of those services? The public also questions not only the Quebec government but all other governments about budgets and productivity standards within various departments.

Regarding these transfer payments to the provinces I was saying that one can wonder if cutbacks could have been made? And there again, Mr. Speaker, when Quebec expansion minister Landry criticized the federal government for having made these cutbacks, he said they would result in a loss of jobs for his province.

I have no intention of dwelling on that issue but I would like to deal with it in a more constructive manner than the member for Rimouski (Mr. Allard). He seemed to attack the Canadian government for its advertising budget designed to publicize the economic incentives offered by the Department of Regional Economic Expansion, which aims at informing Canadians on the purchasing capacity of the Department of Supply and Services. Yet what he does not tell us, for instance, is their support for the Parti Québécois which is revealed by the fact that the government of Quebec spends $24 million in advertising, a subject which I do not intend to deal with now and which has also already been raised by the Union Nationale party. We are dealing here with an amount almost similar to the one spent by the Canadian government for the country as a whole. So I am wondering who spent or invested greater and more generous amounts of money than we did. Are we really dealing at this stage with a waste of public funds? I put the question to the hon. member for Rimouski.

I now want to deal with the criticisms made by the NDP member who was calling for more severe review of the financial operations of Crown corporations. I must say that to a certain extent I share his opinion on the subject. This is why I have already introduced a private bill concerning the activities of CBC so that the appropriate committee might study its annual report a soon as it is tabled in order for us to have ample time to ask questions from this corporation. Mr. Speaker, I would also like to mention other important activities, namely the decision made by the Canadian government regarding the development of the aeronautical sector.

● (1750)

[*English*]

The Acting Speaker (Mr. Turner): Order. I regret to interrupt the hon. member, but his time has expired.

Mr. Peters: It being six o'clock, may I call it six o'clock?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Turner): It being six o'clock, I do now leave the chair until eight o'clock p.m.

At 6 p.m. the House took recess.

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

The Acting Speaker (Mr. Turner): Order, please. At six o'clock the hon. member for Timiskaming (Mr. Peters) had the floor, and he has 20 minutes remaining.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, looking at the official opposition benches, one wonders whether a message has already been received.

The Conservative motion today deals with a problem which I am sure all Canadians know we have. It has been aggravated partly by the fact that the Liberal government has been here, in my opinion, much too long. There is always a tendency for

there to be an over-expenditure of funds. Money is used for the wrong purpose when a government has been in power for a long period of time. In fairness I must say that even in the case of an NDP government the situation would not be different. I remember at one time meeting with cabinet ministers from across Canada, agriculture ministers, and finding that some who were members of my own party were more conservative in their attitude than others. In terms of dealing with waste and abuse this is a factor with any government which has been in power for very long.

Let us consider, for instance, this government which has been in power for many years. Very few cabinet ministers have not had lengthy cabinet experience. Those who have not had lengthy cabinet experience have had lengthy experience here as members. One such minister is the Minister of State for Federal-Provincial Relations (Mr. Reid). Yet this government is not able to handle the very simple problem of Mrs. Dubé, who has been standing out in front of this building starving herself for 20 days. It is not able to solve her problem. Some hon. members say that her problem comes under provincial jurisdiction.

When Mrs. Dubé was in Quebec city and met the premier of Quebec, he told her that her problem was not his, that it was not something he could help her with, and that it was something that has to be solved in Ottawa. That is why she moved to Ottawa. She has been here ever since. The government has not been able to solve her problem or the problems of many other people. Mrs. Dubé's problem is simple. I understand that the ceiling in her basement was too low. Perhaps she will die on Parliament Hill. If we do not get around to having an election, there will still be 265 members here who cannot solve her problem.

It is no wonder that there is abuse of power. A number of things have been done as a result of the Gallup poll. One has been mentioned many times in this House. For partisan reasons the government has left office space vacant in the city of Ottawa by moving some operations to the city of Hull. This has cost hundreds of millions and will cost governments a considerable amount of money in the years to come. There may be some merit to this change. There has always been talk about solving Quebec's problems by giving Quebec more. However, there are now many office buildings in Ottawa which are empty. About one-fifth of Ottawa's office space has become vacant in the last five years simply because the government has moved some operations across the river. This was done to show the people of Quebec that they also have a role to play in our national capital. All the government has done, however, has been to confuse the people of the city of Hull who do not know what belongs to the province of Quebec, what belongs to the national capital commission, or whether Hull will be annexed with the city of Ottawa. I do not think this move has done anything for national unity, but unreasonable expenditures have certainly been made.

Hull is not the only place to which moves have been made. The government has decentralized. Veterans Affairs headquarters are being moved to Charlottetown. Can hon. members imagine anything less necessary than moving the pension commission or the headquarters of a department without moving services? No hospital facility is being moved, just Veterans Affairs headquarters, where records are kept. A move is being made to Prince Edward Island just so that the Minister of Veterans Affairs (Mr. MacDonald) will be elected forever. It means that if people from Vancouver are going to see the pension commission they will have a great time of it because they will see the whole country; they will travel from sea to sea. It may be nice for the old veterans who can make it, but many of them will not make it half way; they will not make it to Ottawa, and they will certainly not make it to Prince Edward Island.

● (2010)

What about the farmers wanting to talk about a farm loan? I read the other day in a press release of the Department of Agriculture that farmers will have to go to Camrose, Alberta, to see about a farm loan. We have put quite a bit more money into the Farm Credit Corporation, but for a farmer to get a loan now and to talk to a senior official, it will be necessary to go to Camrose, Alberta. I wonder if that will really happen physically. I wonder whether it will happen after the election. We would have to know whether a Liberal cabinet minister is elected in the province of Alberta, because otherwise it might be located in some other place.

Centralization is not saving us any money. It will cost a lot of money to people who are not able to provide the infrastructure services, but it will probably be able to provide the Liberal party with a few votes as they move agencies around the country. The other day I asked about moving the Department of Supply and Services to Matane, Quebec, because the cabinet minister was from that area. I made the crack that we are going to buy our pencils in Matane now rather than in Ottawa. To be fair to the minister, he came over to me privately, not to show up my ignorance but to point out that they only bought a few dollars worth of pencils in Matane, that they were still buying pencils in other places. If that is so, why do we bother with decentralization? Why do we bother with it if it will not bring some advantages to the minister and to his community?

Most Canadians are fed up with what they consider to be the waste of parliament. It was mentioned earlier today that we have no control over expenditures. Not long after this motion is passed or defeated, another motion will be put forward whereby we will approve millions and millions of dollars worth of estimates, most of which have not been considered by members. We have not made a change in $20 million or $30 million worth of estimates in the last ten years—my colleagues say, not even $20 or $30 worth. When we are in committee and we find that the government has misplaced, mislaid or misappropriated $20, it will probably be found, but when you talk about $20 million—no way!

Since we have changed the procedure on estimates, they now beautify the departments; they are a valedictory address to the individual department and to the people who work in it, and we are not able to decide as members of parliament what the

expenditures are for. Since most of the estimates do not even go to the committees, they do not get even a superficial type of examination. The minister has indicated that we have now established a Comptroller General and that we have a new force in the Auditor General's Department. But parliament is asking someone else to make the decision for it.

Since I have been here members of parliament have been talking about horses on the payroll and the expenditures at Mirabel where we bought land which we are not going to use. When the threat of an election loomed, it was necessary for Toronto not to feel cheated, so we said that the land in Pickering should also be purchased. We will have an airport at Pickering, not because we need one but because we have to balance it with Mirabel where great abuses have taken place for the same reason, namely, to elect the Liberal party.

Some hon. Members: Oh, oh!

Mr. Peters: These huge expenditures are not made for the people. The people in Montreal did not ask for that airport. They found it very easy to get to Dorval, and they found transport facilities to Dorval very good. Now every time I go to Montreal I hear dozens of complaints about how hard it is to get from Dorval to Mirabel or from Montreal to Mirabel, and anybody who has driven from Ottawa to Mirabel knows that they have not put up a sign telling you to turn off to Hawkesbury to get on to the Quebec side to get to Mirabel.

All these expenditures and extravagances have been made for one purpose so far as the public is concerned.

An hon. Member: Even the airlines did not want Mirabel.

Mr. Peters: That is true. The people who did not like it most were the airlines, and most of them are not satisfied even today.

A number of changes have been suggested by the Standing Committee on Procedure and Organization and by the whips of the parties. Several weeks ago I heard the Liberal whip making a very interesting dissertation on changes that should be made to assist members of parliament to make more reasonable decisions on expenditures. Changes are talked about, but normally are overriden by the need to pass legislation, and therefore allowances are not made to members to participate in gaining an understanding of what are the expenditures of the nation.

I am pleased to learn today that the government has provided members of parliament with two bills. My colleague will probably be able to tell me what the expenditures in those two bills are. I looked at both of them and in one I found an expenditure of about $311 million, I presume. In the other one I was not able to ascertain what is the bottom line in the bill. As we approach March 31 we will be making an expenditure of something like $52 billion or $53 billion. Most of the items that will go into making up that amount have never even been discussed by members of parliament.

There is no machinery which allows members of parliament to make a decision about these expenditures, and for this reason the general public is very unhappy and dissatisfied, to the extent that an article appeared in a newspaper the other day which probably makes a lot of sense to most Canadians. It talks about one of the large supermarkets which has decided to forget all the hoopla, forget all the name items, forget about all the brand name labels like Trudeau, Clark and Broadbent, and choose a no-label party. There is a lot of merit in a no-label party because we have not spent a lot of money and time building the images. There are no brand names, no images to indicate to the Canadian public what will happen, and obviously after the election none of those things will happen.

All members are interested in controlling the expenditures. Proposition 13 in the United States is not dead in Canada. In fact it is badly abused in some parts of Canada. Today we heard a member from Manitoba talk about the joys of many of those abuses where you cut down on the services that are asked for by people, where you cut down on things to which Canadians have become accustomed. Eventually we will have to develop a mechanism, if this institution is to function, that will allow a scrutiny of expenditures before they are made. I believe the Standing Committee on Public Accounts has done a very good job, but it is dealing with accounts after the fact—accounts after something has been spent.

● (2020)

If one looks at some of the items we will pass later this evening, one will find that many of them are dollar items, not statutory items but transfer ones. The initial reason for putting those items down has changed. It has been decided that those moneys will be used for something else. It gives us an opportunity of knowing exactly why we are passing the moneys. We are passing items that are only a transfer from one estimate to another.

There are abuses in the expenditures. Some abuses which are taking place can be controlled and there are other abuses which cannot be controlled. Now that we have made the decision to spend money for the infrastructure across the river, what will happen? Now that it has been decided that we will not go into the business of bilingualism and will cut back on the expenditures of training people in a second language, whether it be English or French, what will happen to those large complexes across the river? Mr. Lévesque has indicated that he wants to operate those buildings. There are four or five buildings in Place Campeau as it is commonly called, or Les Terrasses de la Chaudière. What will happen to those expenditures if there is a major change in the attitude of the provincial government and they decide to operate them?

An hon. Member: Roll them over.

Mr. Peters: I am not sure—

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Turner): Order, please. The hon. member for Timiskaming (Mr. Peters) has the floor. I suggest hon. members listen.

Mr. Peters: Thank you, Mr. Speaker. I am not sure whether that comment was made in jest. Perhaps we will move the fence back a few feet behind the parliament buildings and annex it. Perhaps that will be the answer.

If the Governor General was not a friend of mine, I would continue this exercise. Seeing as he is, I will cease and desist.

Some hon. Members: Hear, hear!

THE ROYAL ASSENT

[*English*]

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

Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

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

[*Translation*]

● (2030)

And being returned.

Mr. Speaker: Order. I have the honour to inform the House that when the House went up to the Senate chamber, the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

Bill C-42, an act to provide a means to conserve the supplies of energy within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada—Chapter 17.

Bill C-49, an act to amend the Bank Act and the Quebec Savings Banks Act.—Chapter 49.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—NON-CONFIDENCE MOTION—CONDEMNATION OF CONTINUING GOVERNMENT WASTE AND MISMANAGEMENT

The House resumed consideration of the motion (Mr. Andre):

That this House condemns the government for its continuing waste and mismanagement, and its failure to implement management and administrative procedures that will ensure that the taxpayers' funds are spent efficiently, effectively, and according to the will of parliament.

Mr. Gus MacFarlane (Parliamentary Secretary to Minister of State for Federal-Provincial Relations): Mr. Speaker, I was

[The Acting Speaker (Mr. Turner).]

taken by the words mentioned in the motion of the opposition, words such as "waste and mismanagement," and I thought I should at least address myself to some of them.

I find it interesting that there is such stress on waste, and I was rather surprised that one member of the opposition, when referring to the kind of "waste" this government has indulged in, referred to the commission on national unity. I cannot understand how any member of this House could in any way feel it was a waste, no matter what the cost, to send people across this country to deal with a question involving national unity.

Some hon. Members: Oh, oh!

Mr. MacFarlane: I cannot understand for an instant why such hon. gentlemen as Mr. Robarts and Mr. Jean-Luc Pepin ever have any remarks of that nature related to them when they, as honest, true, and great Canadian citizens took on the task for this parliament.

● (2040)

I have no quarrel with the hon. gentleman who said that we members of parliament have a great deal of ability at our disposal and that we do indeed represent our constituencies. I agree with him completely. But quite often we have business here and we need the advice of experts. Experts are not always those who have honorary degrees, earned degrees, or professions. So it was necessary to take two gentlemen and a lady, all of whom we know well, and send them across the country, with others, to hear what ordinary souls had to say about unity. To use this as one of the examples of "waste" and extravagance on the part of the government is absolutely ridiculous and unacceptable.

There are other examples. I would like to go back to the days of another Auditor General, Maxwell Henderson. I remember well that during the period when he was talking about government expenditures, he was quite willing to accept that the budget in the Auditor General's office would go from $2.25 million to $4.25 million the next year, and to $6.25 million the following year, while government expenditures did not increase to that extent at all. That, however, was fair from the point of view that he should have the necessary funds to check government expenditures.

This august gentleman commented on something which it might have been more appropriate for the opposition to comment on, rather than them merely making remarks about the wastage on the unity commission. They could have mentioned that there exists inevitably some mismanagement in large corporations and in large governments, as Maxwell Henderson said. This mismanagement often occurs in mid-stream. It is easy in hindsight to talk about all the things which occurred, but the government is dealing with reality and what is occurring now. Some of the innovative changes in policy must be made at the moment. It does not necessarily mean that everything before that time was done wrongly. It means that changes were necessitated as a result of outside forces and

forces which occur within the country. Maxwell Henderson recognized this.

The next Auditor General, of course, was J. J. Macdonell. He noted that the Treasury Board had acted on 55 of the 117 abuses singled out in the 1972-1973 report, and that another 33 per cent were under review. He said that the reason his annual report was so short was that so many of the faults he found in various departments get fixed, and therefore lose their materiality. Macdonell said that he was impressed by the people he met in government "lots of sincere, hardworking public servants", were the words he used.

Macdonell said that the average reaction when he finds fault with something is, "Good heavens, we must do something about that", and most times they do. It appears this attitude of co-operation and the low profile approach of Mr. Macdonell will be of great help to us in the future. Mr. Macdonell has quickly revealed himself as a superb professional who is bringing new prestige and authority to his office. He said that the public accounts committee should be delighted with this new report, that at last MPs have a chance to do something constructive. The committee will have before it a report which even notes how departments have mended their ways. That, after all, is what the exercise should be all about.

I would like to read a little note from the press concerning supplementary estimates.

> The federal opposition parties were caught napping. None of them showed up at the House of Commons committee meeting which was scheduled to hear Mr. Buchanan defend his department's spending estimates. That is hardly the close scrutiny of governmental spending the people of Canada expect from opposition members.

The opposition talks of mismanagement by the government. What kind of management has the opposition shown in the use of the public accounts committee when they do not even turn up to ask questions of the minister when he was prepared to answer them?

We do not get comments like these from everyone. The Canadian Chamber of Commerce has a vital interest in this country, and I believe that they are very important. Their comments are very important to the business community and are certainly good guidance to and good criticism of the government. This is what they said about the budget:

> The chamber labelled the budget as responsible, and commended Finance Minister Jean Chrétien for resisting the temptation to bring in a financially dangerous program of massive tax cuts. While expressing alarm at the government's cash requirements of $10.8 billion, the chamber said the fact that these requirements are being reduced by $1.3 billion from 1978-79 levels is particularly welcome.

Why can the opposition not give criticism of that nature instead of attacking the money spent by the task force in trying to find out what the Canadian public think of our dream, our rebirth and renewal of our constitution? However, the chamber does not stop there. Later on it says:

> The Canadian Chamber has agreed to support the Comptroller General in his initiative to establish financial control mechanisms in various federal departments. The chamber has offered to assist in the implementation of the scheme, and will help to secure the appropriate people for the assignment.

With an important step like that having been taken, we are talking like we are in the dark ages, as though everybody has sat by for ten years and done nothing. It just does not happen to be true, and the facts which I have read to you bear this out. Here are a couple more facts. Total federal government expenditures, as a percentage of the gross national product, have dropped since 1975. This is something which is rarely ever said publicly. It is almost as though it is a shame to admit that anything in line with a controlled industry has existed. In the fiscal year 1975-1976 government expenditures totalled 22.5 per cent of the GNP; in 1976-1977, 21.5 per cent; in 1977-1978, 21.0 per cent; 1978-1979 forecast 20.7 per cent, and the 1979-1980 forecast, 20.3 per cent. How is it that the opposition can presume that nothing has happened? This most certainly gives an indication of efficiency and effectiveness as the motion requests.

The federal government has reduced its expenditures by $500 million for 1978-1979 and by $2 billion for 1979-1980. What about the growth of the public service itself, which has reduced from 5.6 per cent in 1974-1975 to .6 per cent in the 1977-1978 estimates? All these facts seem to be ignored.

What do we talk about? One of the hon. members opposite, a member for whom I have the greatest respect, discusses the terrible plight of a person who is petitioning outside the buildings of parliament. It is not untraditional or unusual that an opposition member or I might not be able to do anything in a situation where the due process of law has been applied in the courts of our land. This person must either accept the judgment or search for higher authority to repeal it. It is ridiculous to expect a parliamentarian, the Prime Minister (Mr. Trudeau), or a member of cabinet to supersede a decision by the courts of this land. It must be remembered that justice stands holding the balance. I notice though that sometimes one eye is covered, but all of us must accept what comes from justice, all of us must accept that cruel lady, and the lady may have to accept that cruel lady as well. That does not mean to say we will not do what we can to defend an individual in trouble, but we must obey the laws of the land. I submit, whether hon. members consider it inappropriate for members of parliament, because it is parliament that is involved, not just the government, that it is certainly not an example of waste, inefficiency or mismanagement.

We seem to forget that in the first few paragraphs of the Speech from the Throne, the Prime Minister said that from projected spending for this fiscal year the government would be subtracting $500 million, and from the expenditures expected for the next fiscal year it would be taking away $2 billion. If hon. members opposite quarrel with those figures, or attempted to prove them incorrect, I could understand, but instead we end up with arguments concerning some incident which might occur on the Hill or in the other place, and using it as an excuse to condemn the government for almost everything that has occurred.

However, the end of the motion says something else, and I would like to address a few words in that regard. This is with respect to the concern about government spending according to

the will of parliament. In the motion there is talk of waste, management, and expeditiously doing our work. It also questions whether we will do the spending according to the will of parliament. I will mention briefly some of the measures taken to provide improved disclosure of information to parliament.

● (2050)

In September, 1973, the Treasury Board published a guide on financial administration for departments and agencies of the Government of Canada. The guide is the policy of the government on financial administration in departments and agencies. It also provides directives and guidelines for a course of action for deputy heads to follow in discharging their responsibilities in financial administration, including the utilization of appropriation authority according to the will of parliament. The guide is designed not only to explain to managers their responsibility to control appropriations approved by parliament, but to provide useful direction for establishing the cost of program achievements or outputs to ensure that results attained would have the maximum effectiveness and efficiency in the use of public funds.

This guide directs that for any appropriations by parliament, the department classification shall be threefold; first, by activity element to make visible the cost of obtaining the output or benefits to be derived from expenditures; second, by responsibility centres to identify who is accountable internally; third, by objective of expenditure to provide a standard for identifying the acquisition of an asset and the utilization of those resources in producing benefits to the public. This hardly sounds like a government which has gone willy-nilly and not indicated ways in which parliament can be informed and cannot inquire into how the will of parliament is being followed through in the expenditure of funds.

These three characteristics of financial administration, which are emphasized in this guide, are financial disclosure, which is concerned with providing information to parliament; accountability displaying information by organizational components to identify financial responsibility; and control whereby only those with properly delegated authority can authorize the use of appropriations for purposes for which they were approved by parliament.

If we do not use these guides which are available to us and ask questions concerning them, and directly get into the government's business and its spending of funds, how can we sit here and talk about waste and mismanagement? We all serve on committees. Each of us has a responsibility. The guidelines are set out to make the information available to us.

On October 7, 1975, two years later, the Treasury Board's report on the study of the accounts of Canada was issued. This report set forth findings, analyses, and recommendations of the representatives of the Treasury Board, the Department of Finance and the Department of Supply and Services, and the terms of reference approved by Treasury Board. The 41 recommendations contained in this report were unanimously accepted by the executive, the office of the Auditor General and the public accounts committee. These are now being implemented. However, I still continue to hear charges that nothing has been done.

These recommendations focused on the manner in which information is reported, and addressed such items as the annual base of most parliamentary appropriations, including the need for any limitation on commitments applicable to future years, the vote structure used in the estimates, including the effect of allocations of costs between votes, cost recovery techniques and net voting, information reports, including the summary statements in the estimates, the *Canada Gazette* and, of course, the public accounts. Many of the recommendations in this study have now been implemented, and others are near completion.

We seem to be faced with a feeling that everything must be done, that somehow governments must take a big brush and, if white is beautiful, paint it white, and if black is beautiful, paint it black. It does not happen that way. We go through several shades of grey to get to either white or black. Things do not happen overnight. The sun rises and the sun sets. Some people seem to think that if they were in power, suddenly in one moment they could change it all and everyone would find it all correct. But they would find as many complications as this government has. The important thing is to react to whatever is happening and change policy in mid-stream as a result. There is always someone who says that the previous policy was no good. But it was good for its time, and change had to take place.

Of major interest in this context is the study of the form of the estimates. In the spring of 1978 the program branch of the Treasury Board secretariat, in conjunction with the office of the Comptroller General, formed a task force to study the estimates. The objectives of this study are to evaluate known criticisms of the estimates, to design a presentational format for the estimates which will assist in a better understanding and more meaningful discussion of the government's spending plans to consult with members of parliament departments, and others regarding the design proposal, and to develop plans, procedures, and guidance to implement an agreed upon approach.

Those words are most important in the kind of government which exists in Canada, not just the government per se on this side. It says "an agreed upon approach ." There are many people with expertise on the other side who can say what is required so they can better understand. They are invited to be part of that ongoing system which will make a more meaningful study of estimates possible.

A basic principle has been proposed by this task force. In its statement on the proposal of the progress of this work, the secretary of the Treasury Board recently told the public accounts committee that the role of the estimates committee is to communicate to parliament the level and the nature of the government's spending plans for the coming fiscal year as a reflection of government policies and priorities, and to foster the public understanding of the purposes and objectives underlying the spending plans.

The government and the Auditor General are in agreement that a prime means of facilitating accountability is through an information system which provides the bridge between the estimates and the public accounts committee. The end result will be consistency—

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The Deputy Prime Minister (Mr. MacEachen) is rising on a point of order.

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HOUSE OF COMMONS

ANNOUNCEMENT OF DISSOLUTION AND ELECTION ON MAY 22

Hon. Allan J. MacEachen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I rise on a point of order.

I would like to advise the House that the Prime Minister (Mr. Trudeau), called on the Governor General a few moments ago. Accordingly, I would like to advise the House that the present Parliament of Canada is dissolved.

Some hon. Members: Hear, hear!

Mr. MacEachen: By proclamation under the Great Seal of Canada, dated March 26, 1979, the present parliament is dissolved and members and senators are discharged from attendance. May I add that the date of the election is May 22.

Some hon. Members: Hear, hear!

Mr. Speaker: I can only indicate that, in the face of these circumstances, I immediately leave the chair. I want to extend to all members of the House my deep gratitude for the co-operation and support they have extended to the Chair throughout this rather long period of time. If any members are so inclined I will be awaiting their attendance in room 16.

Some hon. Members: Hear, hear!

The Thirtieth Parliament was dissolved at 9 p.m. by proclamation of His Excellency the Governor General.

END OF VOLUME IV